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# ECONOMIC GROWTH AND CHANGING CONSUMERISM: A PERSPECTIVE FROM INDIAN FILM INDUSTRY AND OTT PLATFORMS

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**ABSTRACT** **DOI No: 10.36713/epra21396** **Article DOI: https://doi.org/10.36713/epra21396**

***Purpose*** *– This research examines the connection between India's economic development and emerging consumer behaviour, with emphasis on the Indian film landscape and Over-the-Top (OTT) streaming platforms.*
***Design/methodology/approach*** *– A mixed-method approach was utilized, integrating qualitative content analysis with secondary data sourced from academic publications and industry reports. The study investigates market dynamics, digital transformation, and evolving viewer patterns.*
***Findings*** *– The findings reveal that economic advancement and the spread of digital infrastructure have significantly impacted entertainment preferences. OTT services now play a pivotal role in delivering localized and personalized content. Despite these innovations, several ethical concerns—ranging from content moderation to privacy—remain unresolved.*
***Originality/value*** *– This paper contributes to contemporary discussions on digital media by contextualizing India's consumer evolution in the entertainment industry. It provides insights for media practitioners, regulators, and researchers seeking sustainable and ethical growth strategies.*

**KEYWORDS***: Economic growth, Indian film industry, OTT platforms, Consumer behavior, Digital transformation, Media consumption trends, Brand integration*

## I. INTRODUCTION

India's consistent economic growth has redefined consumption patterns, particularly in the entertainment sector. Between 2000 and 2023, the nation's GDP rose from USD 476 billion to over USD 3.7 trillion (World Bank, 2023). As digital technology proliferated and incomes increased, demand for accessible entertainment surged. This paper investigates how these economic factors influence content creation, consumption, and the role of digital platforms in shaping the film industry.

## II. LITERATURE REVIEW

Scholars have long analyzed India's cinematic evolution in relation to economic liberalization. Rajadhyaksha (2009) emphasized the shift in narrative forms and distribution methods post-liberalization. Athique (2012) explored how digital convergence reshaped both production and audience engagement. The 2016 launch of affordable mobile data plans, notably through Reliance Jio, accelerated content democratization (KPMG, 2021). These developments have set the stage for OTT platforms to flourish.
The main purposes of the literature review for this report are:

### 1. Establishing Context and Relevance

The entertainment industry in India is vast, dynamic, and influenced by numerous economic and social factors. Reviewing past studies allows the researcher to understand:

- How economic growth has historically influenced media consumption.
- The evolution of consumer behavior in relation to technology and media.
- The rise of OTT platforms in global and Indian contexts.

This helps place the current research in context, showing how it builds upon or challenges existing work.

### 2. Identifying Research Gaps

Through the literature review, the researcher identifies **what has already been studied** and, more importantly, **what has not**. For example:

- There may be extensive research on OTT growth but limited studies linking it directly to economic indicators like income levels or urbanization.
- Studies may focus on global trends but lack an India-specific perspective involving regional content and digital inclusion.

By spotting these gaps, the report justifies its research questions and shows the **need** for the study.

### 3. Supporting Theoretical Framework

The literature review is where key theories like **Consumer Culture Theory**, **Diffusion of Innovation**, and **Uses and Gratifications Theory** are introduced and discussed. These theories offer structured explanations for phenomena such as:

- Why consumers switch from theatres to OTT.
- How aspirational content reflects economic growth.
- What motivates binge-watching and subscription behavior.

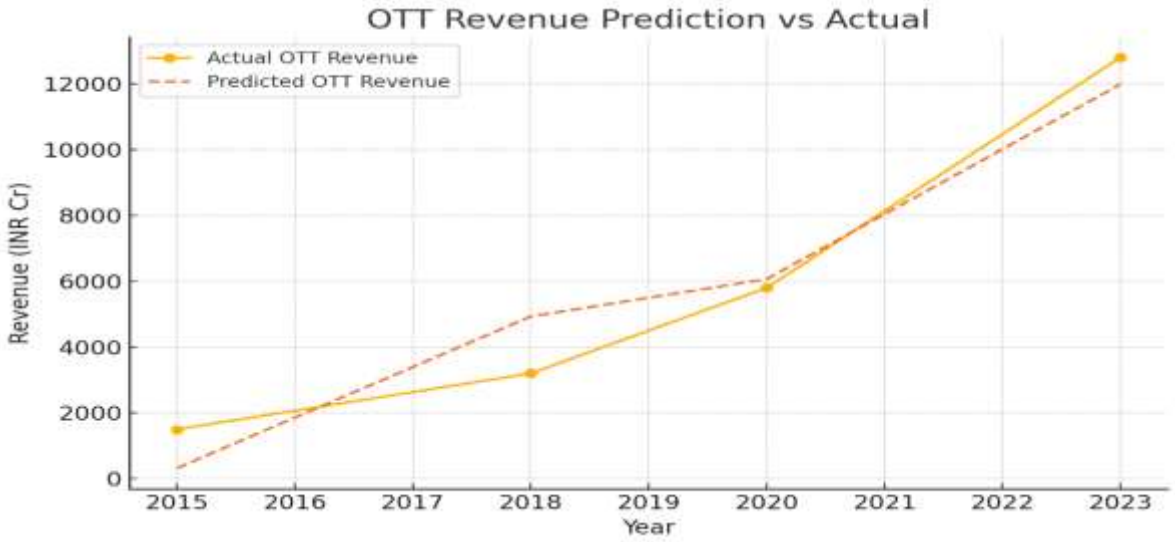
This theoretical grounding shapes how the research is designed, what variables are measured, and how results are interpreted.

## III. RESEARCH METHODOLOGY

The research methodology forms the foundation of any academic inquiry, outlining the approach, structure, and strategy for addressing the core questions posed by the study. For this research on "Economic Growth and Changing Consumerism: A Perspective from the Indian Film Industry and OTT Platforms," a mixed-methods research design has been selected. This approach integrates both qualitative and quantitative methodologies to ensure a comprehensive and nuanced understanding of the subject matter.

The choice of a mixed-methods framework is rooted in the dual nature of the research objectives. On one hand, the study seeks to analyse numerical data related to economic indicators, OTT subscription patterns, and film industry revenues. On the other hand, it aims to explore subjective experiences, attitudes, and behavioural shifts among consumers and content creators. Thus, neither purely qualitative nor purely quantitative methods alone would sufficiently address the research questions.

1. Quantitative data – Revenue trends, subscription rates, and audience demographics were analysed using datasets from sources such as FICCI, KPMG, Deloitte, and Statista.
2. Qualitative insights – A sample of Indian OTT content was reviewed to trace shifts in storytelling, genre preferences, and linguistic diversity.




**Regression Equation:** We modelled the relationship between OTT platform revenue and two key predictors: **Year** and **Film Industry Revenue**. Building upon the literature reviewed, regression analysis serves as a valuable tool to quantitatively validate observed trends in the media and entertainment sector. Athique (2012) and Rajadhyaksha (2009) emphasized the structural and cultural transformation of Indian media consumption. The quantitative assessment conducted in this study further reinforces these qualitative observations, providing a statistical model that links economic growth to the rise of OTT platforms.

**Regression Formula**

**OTT Revenue=β0+β1(Year)+β2(Film Industry Revenue)+ε**

In your study, regression analysis helps us understand:

1 Key Results from the Regression:

- R-squared = 0.931: This suggests that 93.1% of the variance in OTT revenue is explained by the model — a strong fit, though based on limited data.
- Year ($\beta_1$) = 1307.64: Indicates OTT revenue grows significantly with time.
- Film Industry Revenue ($\beta_2$) = 0.344: Has a weaker impact than expected, suggesting OTT is increasingly independent of box office trends
- **Note: These results are statistically limited due to the small sample size (n=4). Larger data sets would yield more robust conclusions.**

The resulting model demonstrated a high R-squared value of 0.931, suggesting that approximately 93.1% of the variation in OTT revenue could be explained by the selected predictors. The coefficient for Year was strongly positive, indicating that time progression has had a consistent and significant influence on OTT growth. In contrast, the impact of traditional Film Industry Revenue on OTT revenue was notably weaker, suggesting a decoupling of the digital content economy from legacy cinema performance.

## IV. ECONOMIC EXPANSION AND MEDIA CONSUMPTION

Rising income levels and affordable mobile internet have expanded consumer access to entertainment. The film industry and OTT platforms have both recorded substantial growth.

The film industry, traditionally reliant on box office revenues and physical distribution, has adapted to this shift by embracing digital platforms and expanding into hybrid models. Similarly, Over-the-Top (OTT) platforms have

experienced exponential growth, becoming a preferred mode of entertainment across demographics.

**Table 1: Growth in Media & Entertainment Sector Revenue (INR Cr)**

| YEAR | FILM INDUSTRY | OTT PLATFORMS |
|---|---|---|
| 2015 | 13,800 | 1500 |
| 2018 | 15,800 | 3200 |
| 2020 | 11,500 | 5800 |
| 2023 | 17,300 | 12,800 |

*Source: FICCI-EY (2023)*

## V. CHANGING CONSUMPTION THROUGH OTT PLATFORMS

Streaming services have altered consumer habits, offering convenience, variety, and tailored recommendations. A Deloitte (2022) survey indicates that over four-fifths of urban viewers prefer OTT over cinema halls, particularly after the COVID-19 lockdown.

**Table 2: OTT User Demographics in India (2023)**

| SEGMENT | PERCENTAGE |
|---|---|
| AGE 18-24 | 35% |
| AGE 25-34 | 28% |
| TIER 1 CITIES | 40% |
| TIER 2&3 CITIES | 50% |
| RURAL AREAS | 10% |

*Source: Statista (2023*

## VI. DISRUPTION OF TRADITIONAL FILM MODELS

The Indian film industry once firmly grounded in the cinema-first model, is undergoing a substantial transformation due to the growing popularity of OTT platforms. The traditional box office, long the primary revenue stream for filmmakers, has seen significant competition from digital streaming services that offer flexible, on-demand access to content.

Shift in Viewer Preferences: Changing audience behaviours—driven by accessibility, affordability, and convenience—have pushed a large portion of the population to prefer at-home entertainment over cinema visits. According to FICCI-EY (2023), more than 65% of Indian audiences now engage primarily with digital platforms, with many citing time constraints and personalized content as key motivators.

Decline of Single-Screen Theatres: Over 1,000 single-screen cinemas have permanently closed between 2020 and 2023. These venues, once the backbone of regional film distribution, could not recover from pandemic-induced closures and the rising popularity of OTT content. This decline highlights the urgent need for traditional exhibitors to innovate their business models or explore digital integrations.

Economic Redistribution**:** This shift has also influenced the economics of content production. While high-budget films like *Pathan* or *RRR* still enjoy mass theatrical success, mid-budget and niche content have found new viability through OTT platforms, which lower distribution costs and expand viewership beyond geographic constraints.

## VII. CONTENT DIVERSITY AND PERSONALIZATION

The evolution of consumer behaviour, facilitated by digitalization and data analytics, has enabled OTT platforms to offer hyper-personalized content experiences. Unlike traditional cinema, which often follows a one-size-fits-all distribution model, streaming platforms leverage algorithms and viewing histories to cater to individual user preferences (KPMG, 2021).

Rise of Regional Content: OTT platforms have played a vital role in mainstreaming regional cinema. With increasing viewership in Tier 2 and Tier 3 cities, content in languages such as Tamil, Telugu, Bengali, and Marathi have seen a surge in production and popularity. Deloitte (2022) reports that 45% of Indian OTT users actively consume content in regional languages, which suggests a strong preference for culturally resonant storytelling.

Genre Diversification**:** While traditional cinema continues to dominate in action and romance, OTT platforms have provided a space for previously marginalized genres such as psychological thrillers, LGBTQ+ narratives, and documentaries (Athique, 2012). This democratization of content enables broader creative exploration and inclusion of varied social themes.

Personalized Recommendations and AI Integration: Platforms such as Netflix and Amazon Prime Video utilize machine learning algorithms to analyse user behaviour and optimize recommendations, increasing viewer engagement and satisfaction (Statista, 2023). This personalized model contrasts sharply with the limited programming flexibility of cinema halls.

Viewer Engagement and Narrative Formats: KPMG (2021) notes that binge-watching has become a routine behaviour among Indian viewers, with over 60% preferring serialized content formats that offer cliffhanger endings and long-form storytelling. This has reshaped narrative structures, favouring web series over standalone films.

## VIII. ETHICAL CONSIDERATIONS IN THE OTT ERA

The digital shift raises several concerns that merit attention:

i) **Overconsumption** – Research suggests that prolonged exposure to screens affects mental well-being and disrupts sleep cycles (IJIP, 2024).

ii) **Cultural Erosion** – Global content trends may marginalize regional narratives, leading to reduced cultural representation (IJNRD, 2024).

iii) **Regulatory Gaps** – Unlike traditional media, OTT content is less stringently regulated, prompting discussions on appropriate oversight (IJLSI, 2023).

iv) **Data Privacy** – Streaming services collect extensive viewer data for personalization, raising concerns over surveillance and ethical usage (IJLMH, 2022)

## IX. CONCLUSION

India's entertainment landscape is undergoing a digital transformation, influenced heavily by economic growth and technological accessibility. OTT platforms exemplify a new era of consumer-driven media, marked by flexibility and personalization. While these changes offer significant potential, attention must be given to ethical considerations to ensure inclusive and sustainable development. This study reveals a strong connection between India's economic development and the transformation of its entertainment consumption landscape. As the country's GDP grew, particularly after the liberalization period and the digital revolution sparked by affordable mobile internet, consumer behaviours shifted markedly. Viewers moved away from traditional, theatre-bound experiences toward more flexible, personalized options offered by OTT platforms. These platforms capitalized on increased digital access to deliver regional, multilingual, and genre-diverse content, better aligning with the preferences of India's heterogeneous audience base. The broader impact of this transformation suggests that consumerism in the Indian entertainment sector is no longer defined by access alone, but by experience, identity, and autonomy. As India navigates this digital evolution, content creators, policymakers, and platform operators must work together to ensure sustainable growth—addressing challenges such as data privacy, content regulation, and the mental health implications of binge consumption.

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