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A STUDY ON OTT BUNDLED PLANS AND ITS IMPACT ON TELECOM SUBSCRIBED GROWTH, AT COIMBATORE

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ABSTRACT

The rapid evolution of digital entertainment has led to a significant transformation in the telecommunications sector, particularly through the integration of Over-The-Top (OTT) bundled plans. This study investigates the impact of OTT bundled offerings (such as subscriptions to Netflix, Amazon Prime, Disney+ Hotstar, etc., provided along with telecom plans) on the growth of telecom subscriptions in Coimbatore. By analyzing customer preferences, satisfaction levels, and subscription trends, the research identifies how OTT content has become a key differentiator among telecom service providers. Data was collected through surveys and interviews with subscribers across different age groups and analyzed using statistical tools. The findings suggest that OTT bundles not only enhance customer retention but also attract new subscribers, thereby boosting overall growth in the telecom sector. Additionally, factors such as content variety, pricing, network quality, and brand loyalty were found to influence consumer decisions. The study offers valuable insights for telecom operators to strategize their bundling practices to maximize market penetration in competitive urban markets like Coimbatore.

KEYWORDS: *OTT Bundled Plans, Telecom Subscription Growth, Customer Retention, Consumer Behavior,*

I. INTRODUCTION

The swift expansion of Over-the-Top (OTT) platforms has profoundly altered the global media and entertainment sector. As the appetite for digital content continues to rise, telecommunications providers have begun to introduce bundled packages that incorporate OTT subscriptions as an additional feature. This approach is designed to boost customer acquisition, enhance retention rates, and stimulate overall subscriber growth. The objective of this study is to evaluate the effects of these bundled offerings on the growth of telecom subscribers, utilizing primary data gathered from users and industry experts. OTT bundled packages grant customers access to popular streaming services such as Netflix, Amazon Prime Video, Disney+ Hotstar, among others, alongside their standard mobile or broadband subscriptions. This bundling tactic has prompted a shift in consumer preferences, with many individuals choosing telecom providers that present appealing content partnerships. In turn, telecom companies have been capitalizing on these alliances to develop competitive pricing models and foster customer loyalty. This research adopts a primary data methodology by collecting insights from telecom subscribers through surveys and interviews.

II. REVIEW LITERATURE

1) Hagey, K., & Ramachandran, S. (2014). Pay TV's New Worry: 'Shaving' the Cord. This article discusses the trend of consumers downgrading their pay-TV packages in favor of more affordable OTT services, a phenomenon referred to as "cord shaving," and its impact on the pay-TV industry.
2) Nissen, K. (2016). Video Cord Cutting: An International Trend. The study explores the global trend of cord-cutting, highlighting variations between 7% and 15% of households across multiple countries in Europe and Asia, and discusses the factors influencing this shift.
3) Newman, J. (2018). Traditional TV is Collapsing Faster Than Ever. This article examines the rapid decline of traditional television viewership in the face of increasing adoption of OTT services, emphasizing the urgency for traditional broadcasters to adapt to changing consumer preferences.
4) DOCOMO Digital (2020). Telco Subscription Bundling: Fostering Win-Win Partnerships. This report discusses how bundling allows telecom companies to grow their share of revenue derived from digital services, augmenting their traditional voice and data revenues. It highlights that subscribers are offered free trials to digital services for a limited duration, with the potential for conversion to paid subscriptions, thereby enhancing customer retention and satisfaction.
5) McKinsey & Company (2020) highlighted that bundling OTT services provides telecom companies with a competitive edge by reducing churn rates by up to 20% and enhancing brand loyalty.
6) Ankit Kumar (2020), paper titled "OTT Services and Their Impact on Traditional Telecom Operators: A Study of the Indian Market" examines the challenges and opportunities OTT services present to traditional telecom operators in India, analyzing subscriber trends and market dynamics.
7) Maria Gonzalez (2021), studied "The Role of OTT Content in Shaping Consumer Behavior in the Telecom Industry". This paper explores how OTT content availability influences consumer choices and subscription patterns in the telecom sector.
8) Malone, J. B., Nevo, A., Nolan, Z., & Williams, J. W. (2021). Is OTT Video a Substitute for TV? Policy Insights from Cord-Cutting. The research analyzes the extent to which OTT services serve as substitutes for traditional television, providing policy insights into the

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cord-cutting phenomenon and its implications for the broadcasting industry.

III. RESEARCH OBJECTIVE

1. To analyze the impact of OTT bundled plans on the growth of telecom subscriptions in Coimbatore.
2. To study consumer behavior and preferences towards telecom plans that offer OTT services.
3. To evaluate the role of OTT content as a competitive advantage for telecom service providers.
4. To identify key factors (such as pricing, content variety, and service quality) influencing consumer decisions related to bundled plans.

VI. SCOPE OF RESEARCH

1) Impact on Telecom Subscriber Growth:This study analyzes how the introduction of OTT bundled plans influences the growth rate of telecom subscriptions, focusing on factors such as customer acquisition, retention, and overall market expansion in Coimbatore.
2) Consumer Behavior and Preferences:The research examines how bundled OTT services affect consumer decision-making, loyalty, and satisfaction, with special attention to the role of content variety, pricing, and service quality.
3) Competitive Strategies Among Telecom Providers:The study explores how major telecom service providers use OTT partnerships as a strategic tool to differentiate their offerings, increase market competitiveness, and drive revenue growth.
4) Challenges and Market Dynamics:This research also identifies potential challenges in bundling OTT services, such as rising costs, content licensing issues, and consumer saturation, while analyzing overall market trends and future opportunities in the telecom sector.

V. HYPOTHESIS

1) Null Hypothesis (H_{01}): There is no significant difference in subscriber growth between telecom operators that offer OTT bundled plans and those that do not.
2) Alternate Hypothesis (H_{11}): Telecom operators that offer OTT bundled plans have significantly higher subscriber growth compared to those that do not.
3) Null Hypothesis (H_{02}): OTT bundled plans have no significant impact on customer retention in telecom services.
4) Alternate Hypothesis (H_{12}): OTT bundled plans significantly improve customer retention in telecom services.

VI. RESEARCH METHODOLOGY

Types of Data Collection

Data Collection

There are several ways of collecting the appropriate data. While deciding about the method of data collection to be used for the study, the researcher should keep in mind, that there are two types of data viz primary & secondary data.

1. Primary Data

Primary data are those which are collected a fresh and for the first time and thus happen to be original in character. Primary data for the study has been collected through questionnaire and personal interview from the respondents.

2. Secondary Data

Secondary data on the other hand are those which have already been collected by someone else and which have already been passed through the statistical process. In this study secondary data are collected from the online articles, journals, text books, etc.

Analysis Technique

Statistical Techniques

Using SPSS statistical analysis software, the following tests were conducted to test the hypothesis.

Chi-Square Test

Chi-Square test can be used to determine if categorical data shows dependency or the two\ classifications are independent.

$2= \sum \{(Oi – Ei) 2 / Ei\}$

Applying Yate's correction:

$\Gamma\ 2 = \sum \{(|O\ i – E\ i\ | - 0.5) 2 / E\ i\ \}$

VIII. DATA ANALYSIS AND INTERPRETATION

Age of the Respondents and What is your primary reason for choosing your telecom operator?
Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	46.870[a]	16	.000
Likelihood Ratio	35.004	16	.004
N of Valid Cases	115		
Pearson Chi-Square	46.870[a]	16	.000

H_0: There exists no association between the age of the respondents and their primary reason for choosing their telecom operator.

Calculated χ^2 Value: 46.870 Degree of Freedom: 16
Significance Level: .000

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INTERPRETATION

As the calculated χ^2 value (46.870) is highly significant (.000) at five percent level, there exists a strong association between the age of the respondents and their primary reason for choosing their telecom operator. Hence, the null hypothesis is rejected.

Gender of the Respondents and What is your primary reason for choosing your telecom operator?

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.235[a]	4	.264
Likelihood Ratio	5.408	4	.248
N of Valid Cases	115		
Pearson Chi-Square	5.235[a]	4	.264

H₀: There exists no association between gender of the respondents and their primary reason for choosing their telecom operator.

Calculated χ^2 Value: 5.235 Degree of Freedom: 4 Significance Level: .264

INTERPRETATION

As the calculated χ^2 value (5.235) is not significant (.264) at five percent level, there does not exist a significant association between the gender of the respondents and their primary reason for choosing their telecom operator. Hence, the null hypothesis is accepted.

IX. FINDINGS

Gender and Availability of Product Information - The study found a significant association between gender and the availability of product information influencing purchase behavior (χ^2= 13.179, p = .040). This indicates that male and female respondents perceive and utilize product information, such as OTT bundled plan details, differently when deciding on telecom subscriptions.

Gender and Primary Reason for Choosing Telecom Operator - No significant association was found between gender and the primary reason for choosing a telecom operator (χ^2 = 5.235, p =.264). This suggests that while telecom operators offer bundled OTT plans, gender does not play a major role in why customers select a particular telecom service provider in Coimbatore.

Age and Primary Reason for Choosing Telecom Operator - A strong and significant association was observed between the age of respondents and their primary reason for choosing a telecom operator (χ^2 = 46.870, p = .000). Younger age groups, in particular, may be more influenced by the availability of OTT bundled plans when selecting their telecom provider, reflecting changing preferences among younger subscribers in Coimbatore.

X. SUGGESTIONS AND RECOMMENDATIONS

1) Enhance Awareness of OTT Bundled Plans - Telecom providers should actively promote awareness about their OTT bundled plans among customers. Clear communication about the benefits, content offerings, and value addition of OTT bundles can significantly influence subscriber decisions.
2) Target Age-Specific Marketing Strategies - Since age has a strong association with the reason for choosing a telecom operator, companies should tailor their OTT bundled marketing strategies to different age groups, especially focusing on the preferences of younger customers who are more inclined towards OTT content.
3) Offer Flexible and Customized Bundled Plans - Telecom operators should introduce flexible OTT bundled plans that cater to different user needs, such as offering multiple OTT platform choices or short-term subscription bundles, to attract a wider audience in Coimbatore.
4) Focus on Product Information Transparency - Providing detailed, easy-to-understand information about the OTT services included in bundled plans such as subscription duration, content type, and usage policies can enhance customer trust and influence their purchase behavior positively.
5) Strengthen Customer Engagement Through Digital Channels - Utilize digital marketing channels such as social media, apps, and personalized notifications to engage customers and inform them about ongoing offers, new OTT partnerships, and exclusive bundled content.
6) Monitor and Analyze Customer Preferences Regularly - Telecom companies should conduct regular surveys and feedback sessions to understand shifting customer preferences related to OTT services and adjust their bundled offerings accordingly to retain and grow their subscriber base.
7) Partnership Expansion with Popular OTT Platforms - Collaborating with emerging and popular OTT service providers can give telecom operators a competitive advantage. Exclusive partnerships can serve as a unique selling proposition to attract new subscribers in a highly competitive market.
8) Improve Network Infrastructure for Better OTT Experience - Since OTT consumption requires strong data connectivity, telecom companies must continue investing in their network infrastructure to ensure smooth streaming experiences, reducing customer churn due to quality issues.
9) Focus on Rural and Semi-Urban Market Penetration - Telecom operators should not limit bundled plan marketing to urban areas like Coimbatore city but also extend it to semi-urban and rural parts where mobile internet penetration is growing rapidly, thereby expanding their subscriber base.

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10) Adopt Ethical and Transparent Billing Practices - Ensure that there are no hidden charges associated with OTT bundles and maintain transparency in billing to build customer trust and encourage long-term loyalty.

XI. CONCLUSION

The study on OTT bundled plans and their impact on telecom subscriber growth in Coimbatore reveals a clear and significant relationship between the introduction of bundled entertainment services and the rapid growth in telecom subscriptions. Telecom companies offering popular OTT platforms such as Netflix, Amazon Prime Video, Disney+ Hotstar, and others within their data or recharge packages have gained a competitive advantage, leading to an increase in both customer acquisition and retention.

Findings show that customers, especially the younger demographic and working professionals in Coimbatore, are increasingly attracted to bundled offerings that deliver greater value for money. The availability of premium content at no extra cost through telecom subscriptions has not only enhanced customer satisfaction but also shifted customer preferences towards operators with strong OTT partnerships. Moreover, bundled OTT services have helped telecom companies reduce churn rates and increase average revenue per user (ARPU), indicating that such strategies are not only attracting new users but are also enhancing the overall profitability of telecom businesses.

However, the study also highlights that customer expectations are evolving rapidly, and mere bundling may not sustain growth in the long term. Consistent innovation, personalized offerings, and high-quality service delivery will be crucial for telecom operators to maintain and strengthen their market position. In conclusion, OTT bundled plans have emerged as a key driver of telecom subscriber growth in Coimbatore, reflecting broader national and global trends. Telecom operators who effectively leverage this strategy are well-positioned to capture a larger market share and foster stronger brand loyalty in an increasingly digital-first economy.

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