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The Future of Streaming: 2021 and Beyond

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In my previous article '**Content War and Protectionism: A new enmity in the Media industry**', I introduced the terminology "**Content and Streaming War**" and shed light on how it will change the entertainment scenario and disrupt the dynamics of the Media and Entertainment (M&E) industry completely.

In 2020, the year of pandemic, the Media and Entertainment industry absorbed the historic shock, which toppled long-standing business models, amplified existing trends, and forged new opportunities. Companies are reimagining their business models amid the emergence of disruptive technologies and changing consumer behavior.



Three Steps to Thrive in the OTT Streaming Evolution

1. Content for driving consumer interest:

Content is king and a critical deal-maker. With the same technology available to almost every streaming service, content is the only major differentiator.

As per industry experts, the need for content-diversity is ranked higher on the list of reasons for signing on to multiple services. Content-diversity means addressing the content need for the whole family unit, including addressing the demand for niche content. As a strategy to win over, OTT players should ensure their content portfolio has enough depth, with a combination of compelling, original, or exclusive content the target audience desires, with a great focus on the **Localization** piece – as globalization has become the new normal for global players.

Content discovery is an ongoing challenge for consumers. OTT providers need to consider the customer journey of finding content. As social media has become the major way for consumers to discover content outside of their streaming services, OTT players should put ample focus into their marketing strategy over social media to drive consumer interest and win their hearts. They should also look into other ways of content discovery outside of their platform, such as search engines, trailers, advertising, recommendations from family and friends, etc., and these should all be effective elements to consider in their marketing budget and campaigns.

2. Consumer experience to win over competition – Right device and experience strategy:

Consumer experience will always be the primary differentiator for streaming services, whether it comes from technology or content or from a combination of both and more. That is the beauty and power of it.

With the emergence of ubiquitous connectivity that is fueled by the wide acceptance of 5G, consumers are now mobile and consuming content anytime, anywhere. The low cost of mobile data and affordable smartphones has revolutionized the OTT video streaming landscape across the globe, with numerous OTT platforms catering to this huge market. With low data tariffs and increasing smartphone penetration, mobile will be **THE** streaming device to consider. Hence, a **multi-device strategy** is crucial to success.

Also, streaming services should not miss out on increasing their service's stickiness by including key big-screen devices in their device reach strategy. A consumer might watch the OTT service on multiple devices, including on streaming sticks, so streaming services should ensure that the user experience is seamless across all devices. The right mix of devices can unlock access to highly relevant audiences, increase sign-up rates and usage rates, and ultimately reduce churn.

Viewers want a quality experience, online and offline. Consumers are not forgiving when it comes to poor video streaming experiences. That is why streaming providers should ensure that the viewing experience is at an optimal level and need to consider features like offline downloads to allow for high-quality viewing when users are in low bandwidth environments or on the move, for example: commuting. They should also leverage the technology component here (maybe the multi-bitrate streaming technology that is already used in the United States, which is part of H.264/265 AVC encoding) to give viewers the best video quality their Internet speed can handle.

Streaming services should also consider adding the right content/device edge-bundling strategy for the market segments that are present at each edge location. Fundamental research at the edge would indicate predominant devices, market segment composition, geo-location metrics etc., to provide the right mix. This saves bandwidth costs and reduces the number of streams required but maintains a high consumer experience.

3. Change the game with pricing and new business model:

The right pricing model is important but not the ultimate. Once the streaming services freeze their top-most priority, i.e. content and experience, they should also focus on providing other next-gen services to drive monetization and enhance the stickiness of their consumers.

In terms of the right pricing strategy, streaming services should ensure that their OTT platform has the capability to execute various monetization packages, such as subscription, ad-supported, pay-per-view, and soon transactional video-on-demand, and accordingly lay out several price plans for all content types and give viewers the power to decide which plans suit their budgets. And, regardless of the content, let the consumer guide the monetization model to maximize revenue.

On the other hand, Covid has opened up new opportunities in the streaming space and pushed the OTT providers hard to reimagine and reform their business model amid the changing consumer behavior. Business models like merging gaming and commerce with streaming are no more a distant future. It's time to innovate the business model. Streaming services should consider the option of converging all their intellectual properties into a single platform (be it merchandise, gaming, or music, or it could even be their option for engaging consumers through celebrity hotline, etc.) and offer their consumers a bundle of services within a single payment facility. This will no doubt drive their revenue and enhance the stickiness of their consumers by creating more meaningful experiences.

In summary, the streaming service providers should break the barrier and come out strong with a focused approach towards delivering content and consumer experiences. Considering these two as essential and primary drivers to succeed in this Streaming World and War, they should put ample amount of focus here to win the consumers hearts. Right mix of Content, Consumer Experience, along with a accelerated adoption of next-gen business model will enable of their businesses and can set the foundations for enduring success in 2021 and beyond...

About the author



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Arko looks after the Strategy and Business Innovation for Media and Entertainment at LTIMindtree. He is a media enthusiast, anchoring consultative strategy across Innovation and Solution Planning and Sales and Business Development. Arko focuses on enabling business transformation for global customers by bringing in the right set of industry insights and latest technology solutions to help them achieve desired business outcomes.

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