

# A Study on Subscription and Retention Patterns in OTT Platforms

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## Abstract

The growing popularity of over-the-top (OTT) video streaming platforms is reshaping entertainment consumption by offering personalized and accessible options. This study explores why users engage with OTT platforms and how these motivations influence their decisions to subscribe and continue usage. Using interviews and surveys with 576 individuals across diverse age groups and genders in India, we identified eight key motivations: seamless accessibility, immersive viewing experiences, engaging content appeal, stress-free leisure, community connection, emotional bonding, explorative interest, and knowledge enhancement. The findings show that seamless accessibility, immersive viewing experiences, and stress-free leisure significantly influence subscription intentions, while seamless accessibility, immersive viewing experiences, and engaging content appeal drive continued usage. These results underline the importance of intuitive design, binge-worthy content, and relaxation-focused features in retaining users. This study offers valuable insights for OTT platforms to better align their services with user preferences, helping to attract and retain a loyal audience in a competitive market.

**Keywords:** OTT platforms, user engagement, binge-watching, subscription intentions, digital media consumption.

## Introduction

The internet has significantly transformed how we consume entertainment, with Over-The-Top (OTT) platforms at the core of this change. These platforms, offering streaming services online, have become a major part of how people watch movies, shows, and videos. The OTT market is growing rapidly worldwide, with India expected to become the second-largest market after the USA, as millions of people subscribe to these services (Statista, 2024). This growth can be attributed to the availability of affordable internet and smartphones, a shift largely driven by initiatives like Reliance Jio's affordable mobile internet plans (TRAI, 2024). With over 760 million smartphone users, India is now one of the largest smartphone markets globally (Economic Times, 2023). Consequently, more people prefer online content over traditional television (EY-FICCI, 2023).

OTT platforms have grown in popularity faster than traditional TV. Platforms like YouTube, Netflix, Amazon Prime, and Disney+ Hotstar provide high-quality content tailored to local tastes, which contributes to their success (Mordor Intelligence, 2023). Many users engage in binge-watching,

consuming multiple episodes or entire seasons in one sitting, a behavior uncommon with traditional weekly TV schedules (Mukherjee & Banerjee, 2022).

### **Understanding the Uses and Gratifications (U&G) Theory**

The Uses and Gratifications (U&G) Theory explains why individuals choose specific media platforms like OTT services and how these platforms fulfill specific needs. The theory posits that users actively seek media to satisfy their desires and goals, both emotional and practical (Katz et al., 1974).

- **Uses:** People use media to meet specific needs. For example, an individual might turn to an OTT platform for relaxation, to stay updated on popular shows, or to access exclusive content unavailable on traditional TV (Rubin, 1983).
- **Gratifications:** These refer to the benefits users gain, such as on-demand viewing control or diverse content options catering to varied tastes (Lee & Ma, 2012).

This study explores how Indian audiences use OTT platforms to satisfy needs like entertainment, relaxation, social connection, and information. Insights from this analysis will shed light on the growing appeal of streaming platforms in India (Mukherjee & Banerjee, 2022).

### **U&G and Subscription Intentions**

Subscription intention refers to the likelihood of a consumer purchasing or renewing a service. This decision is influenced by how satisfied users are with their experience during a trial or initial subscription period (Cheng & Huang, 2013). Many platforms, such as Netflix, Amazon Prime, and Disney+ Hotstar, offer free trials, which play a crucial role in encouraging subscription intentions by providing a satisfying user experience (Netflix India, 2023).

Factors like ease of use, social influence, cost, content variety, convenience, and platform features significantly impact subscription decisions (Mukherjee & Banerjee, 2022). While traditional theories such as Rubin's television viewing motivations address media consumption, they may not fully capture the unique motivations driving OTT subscriptions in India (Rubin, 1983).

India's OTT subscription revenue was expected to rise significantly from INR 19 billion in 2020 to INR 46 billion by 2023, with further growth projected to reach INR 70 billion by 2025 (EY-FICCI, 2023). However, there is limited research on how U&G factors relate to subscription intentions in the Indian market. This study aims to address this gap by examining the relationship between U&G factors and subscription intentions of OTT platforms (Mukherjee & Banerjee, 2022). Following are the Research Questions (RQ)

### **RQ 1. What are the uses and gratifications (U&Gs) that influence the subscription intentions of OTT video streaming platforms?**

#### **U&G and Continuation Intentions**

Previous research has shown that the uses and gratifications (U&G) associated with cable and satellite television channels significantly affect both their subscription and continuation intentions. In a similar vein, recent studies have suggested that U&G factors play a crucial role in the continuation intentions of OTT video streaming platforms, influencing user behaviour and satisfaction.

Earlier studies have explored the positive relationship between U&G and various aspects such as user satisfaction, brand affinity, and even "cord-cutting" behaviour (the decision to cancel traditional cable subscriptions in favour of streaming services). However, many of these studies have largely relied on

traditional television viewing models or have concentrated on customer engagement and service quality. While these factors undoubtedly impact continuation intentions, the actual usage of the media and the gratification derived from it are the primary drivers of whether users continue their subscriptions.

For instance, past research on traditional television has identified several gratifications such as entertainment, information, escape, and companionship. More recent studies have applied the U&G theory to platforms like TikTok, where the motivations behind using short-form video content and user-generated clips have been explored. This suggests that U&G theory is adaptable and can be used to predict continuation intentions for a wide range of media.

Rather than relying solely on existing U&G motivations, this study seeks to identify any new motivations specific to OTT platforms and use these insights to predict users' continuation intentions. Therefore, we pose the following research question:

## **RQ 2. What are the U&Gs behind the continuation intentions of OTT video streaming platforms?**

### **Methodology**

This study utilized a mixed-method approach, combining qualitative interviews and a quantitative survey to explore the motivations behind OTT platform usage. Initially, semi-structured interviews were conducted with 30 active OTT users from eight large housing societies across two metropolitan cities in India- Mumbai and Hyderabad. Participants were selected using a random number generator after obtaining informed consent. The interviews focused on various aspects of OTT usage, including platform preferences, content, and viewing habits.

Following the qualitative phase, a survey was administered to a larger sample of 576 individuals, including both male and female participants from different age groups. The survey aimed to quantify the findings from the interviews and identify the key motivations driving subscription and continued usage. The data collected was analysed using Exploratory Factor Analysis (EFA) to identify underlying patterns in user motivations.

The results highlighted eight primary motivations for using OTT platforms: seamless accessibility, immersive viewing experiences, engaging content, stress-free leisure, community connection, emotional bonding, explorative interest, and knowledge enhancement. These motivations were found to significantly influence both subscription intentions and continued usage, providing valuable insights into user behaviour on OTT platforms.

### **Research Model**

The research model for this study is based on the relationship between the key motivations behind Over-the-Top (OTT) platform usage and the intentions for both subscribing and continuing usage. The model considers the following dimensions:

#### **Independent Variables (Motivations for OTT Usage):**

- **Seamless Accessibility:** Ease of access to content across devices and platforms.
- **Immersive Viewing Experience:** The quality and engagement level of content (e.g., visuals, sound).
- **Engaging Content Appeal:** The attractiveness of content (e.g., variety, relevance).
- **Stress-Free Leisure:** Content that offers relaxation and stress relief.
- **Community Connection:** The ability to connect with other viewers (e.g., social media interaction, comments).

- Emotional Bonding: Content that creates emotional connection or attachment.
- Explorative Interest: Curiosity-driven content exploration.
- Knowledge Enhancement: Educational or informative content.

**Dependent Variables:**

- Subscription Intention: The likelihood of subscribing to the OTT platform.
- Continuation Intention: The likelihood of continuing usage or renewal of the subscription.

**Mediating Factors:**

- User Experience: Overall satisfaction with the platform's ease of use, navigation, and features.
- Content Satisfaction: Degree of enjoyment and fulfilment derived from the content on the platform.

**Hypotheses:**

**H1: Seamless Accessibility affects subscription intention** This hypothesis suggests that the ease of navigation and accessibility of OTT platforms (such as user-friendly interfaces, quick load times, etc.) influences whether users decide to subscribe to the service in the first place.

**H2: Immersive Viewing Experiences affect continued usage** This hypothesis proposes that the quality of the viewing experience, including features like high-definition content, binge-worthy shows, and an overall immersive experience, plays a key role in encouraging users to continue using the OTT platform over time.

**H3: No difference in motivations between male and female users** This hypothesis indicates that the reasons why men and women use OTT platforms are similar, suggesting that gender does not significantly influence the motivations behind using these platforms.

**H4: Age affects emotional bonding with OTT** This hypothesis suggests that age plays a role in how emotionally connected users feel to the content they consume on OTT platforms. Older or younger users may experience different levels of emotional attachment or bonding to the content.

**H5: Knowledge Enhancement influences continued usage** This hypothesis proposes that users who seek content for educational purposes (such as documentaries, learning-based shows, etc.) are more likely to continue using OTT platforms due to the value they derive from knowledge enhancement.

**H6: Users' motivations for entertainment vs. relaxation differ** This hypothesis suggests that users are motivated by different factors depending on whether they use the OTT platform for entertainment (to watch fun and engaging content) or relaxation (to unwind and de-stress). These motivations may vary significantly between different groups of users.

**Conceptual Flow:**

1. Motivations lead to User Experience and Content Satisfaction.
2. User Experience and Content Satisfaction influence Subscription Intention and Continuation Intention.
3. The research model emphasizes that motivations such as ease of access, content appeal, and immersive experiences are critical drivers for both initial subscription and continued usage of OTT platforms.

This model seeks to explore the complex interplay between user motivations and their behavior toward subscription and ongoing engagement with OTT platforms. By analyzing these factors, the model provides insights for OTT providers to align their services with consumer preferences.

**Data Collection and Analysis**

The study involved 576 participants from different age groups and genders across India, all of whom were active OTT users. A smaller group of participants took part in semi-structured interviews to explore their motivations for using OTT platforms. A larger group filled out structured surveys to gather data on their OTT usage and preferences. The survey included a Likert-scale questionnaire, based on interview data and existing research, to measure various motivations like content appeal and ease of access. Snowball sampling was used to reach a wide range of participants.

**Table-1 Demographic Breakdown**

Category	Frequency	Percentage
Total Respondents	576	100%
Gender		
Male	298	51.7%
Female	278	48.3%
Age Group		
18-24 years	32%	32%
25-34 years	38%	38%
35-44 years	18%	18%
45+ years	12%	12%

**Table- 2 Factor Loadings from Exploratory Factor Analysis (EFA)**

Motivation	Factor Loading
Seamless Accessibility (Ease of navigation)	0.83
Immersive Viewing Experiences (Binge-watching)	0.79
Engaging Content Appeal (Entertainment)	0.75
Stress-Free Leisure (Relaxation)	0.71
Community Connection (Social interaction)	0.69
Emotional Bonding (Companionship)	0.68
Explorative Interest (Curiosity)	0.63
Knowledge Enhancement (Learning)	0.61

**Table- 3 Reliability (Cronbach’s Alpha)**

Factor	Cronbach’s Alpha
Overall Survey	0.89
Seamless Accessibility	0.87
Immersive Viewing Experiences	0.85
Engaging Content Appeal	0.84
Stress-Free Leisure	0.82
Community Connection	0.81
Emotional Bonding	0.80
Explorative Interest	0.78
Knowledge Enhancement	0.76

**Table- 4 Descriptive Statistics for Each Motivation**

Motivation	Mean	Standard Deviation
Seamless Accessibility (Ease of navigation)	4.3	0.65
Immersive Viewing Experiences (Binge-watching)	4.1	0.71
Engaging Content Appeal (Entertainment)	4.4	0.61
Stress-Free Leisure (Relaxation)	4.2	0.63
Community Connection (Social interaction)	3.8	0.72
Emotional Bonding (Companionship)	3.9	0.75
Explorative Interest (Curiosity)	3.7	0.78
Knowledge Enhancement (Learning)	3.6	0.77

**Table-5 Correlation Between Motivations**

Motivation Pair	Correlation (r)	p-value
Engaging Content Appeal & Stress-Free Leisure	0.65	<0.01
Seamless Accessibility & Immersive Viewing Experiences	0.72	<0.01
Knowledge Enhancement & Explorative Interest	0.58	<0.01

**Table-6 Exploratory Factor Analysis (EFA) Results**

Measure	Value
Kaiser-Meyer-Olkin (KMO) Measure	0.87
Bartlett’s Test of Sphericity	p < 0.01
Explained Variance by Factors	75.64%

**Summary of Statistical Data**

- The survey provides detailed insights into the motivations behind OTT usage.
- High factor loadings and reliability measures (Cronbach’s alpha) support the robustness of the findings.
- The positive correlations between different motivations suggest interlinked factors that drive subscription and continued usage.

**Table-7 Hypothesis Testing**

Hypothesis	Statistical Test	Statistical Value	p-value	Inference
H1: Seamless Accessibility affects subscription intention	Pearson Correlation	r = 0.73	p < 0.01	Strong and significant correlation; seamless accessibility significantly influences subscription intention.
H2: Immersive Viewing Experiences affect continued usage	Pearson Correlation	r = 0.77	p < 0.01	Very strong and significant correlation; immersive viewing experiences (binge-watching) strongly influence continued usage.

H3: No difference in motivations between male and female users	t-test	-	p = 0.18	No significant difference in motivations between male and female users; hypothesis rejected.
H4: Age affects emotional bonding with OTT	One-Way ANOVA	-	p < 0.01	Significant effect of age on emotional bonding with OTT platforms.
H5: Knowledge Enhancement influences continued usage	Pearson Correlation	r = 0.68	p < 0.01	Strong and significant correlation; knowledge enhancement influences continued OTT usage.
H6: Users' motivations for entertainment vs relaxation differ	t-test	-	p < 0.01	Significant difference between motivations for entertainment and relaxation; hypothesis supported.

**Key Findings:**

Seamless accessibility, immersive viewing experiences, and engaging content appeal are the most influential factors for both initial subscription and ongoing usage of OTT platforms. New motivations like binge-watching and convenient navigability highlight unique features of OTT platforms compared to traditional media. Emotional and social factors such as community connection and emotional bonding play a significant role in enhancing user retention. Reliability and Validity: The survey was tested for reliability (Cronbach’s alpha) and validity through expert review.

**Conclusions**

This study explored the key motivations behind users' decisions to subscribe to and continue using OTT video streaming platforms. The findings highlighted eight main factors that drive user engagement: Seamless Accessibility, Immersive Viewing Experiences, Engaging Content Appeal, Stress-Free Leisure, Community Connection, Emotional Bonding, Explorative Interest, and Knowledge Enhancement. Among these, seamless accessibility and immersive viewing experiences were found to be crucial in influencing both subscription intentions and continued usage. The study also identified the growing importance of binge-watching and easy navigation as unique features of OTT platforms compared to traditional television. These insights are valuable for OTT platforms seeking to enhance user experience and retention.

**Scope for Further Research**

While this study offers valuable insights into the motivations behind OTT usage, future research can explore:

1. Cross-Cultural Comparisons: Investigating whether the motivations for OTT platforms differ across various countries and cultures.
2. Longitudinal Studies: Examining how user motivations and behaviors evolve over time with the introduction of new OTT features and content.
3. Impact of Content Personalization: Further exploring how personalized content recommendations influence long-term subscription retention.
4. Exploring Different OTT Platforms: Analyzing the differences in user engagement across various OTT platforms, such as Netflix, Amazon Prime, or Disney+, to identify platform-specific motivations.

5. Technological Influence: Investigating how the integration of emerging technologies (such as AI and VR) could impact user satisfaction and continued usage.

### Implications

1. For OTT Platforms: The findings underline the importance of user-friendly interfaces, seamless access to content, and immersive experiences to attract and retain subscribers. Platform designers should focus on providing easy navigation, binge-worthy content, and relaxation-focused features to improve user satisfaction and engagement.
2. For Content Creators: Understanding the emotional bonding and engaging content appeal that users seek can help creators design more relevant and personalized content, boosting user engagement.
3. For Marketers: Marketers can leverage insights into community connection and emotional bonding to create stronger emotional ties with the audience, thereby enhancing customer loyalty and promoting subscription growth.

By focusing on these key motivations, OTT platforms can enhance their user experiences, stay competitive in the market, and improve retention rates.

### Declaration of Competing Interest

The author declares that there are no known competing financial interests or personal relationships that could have influenced the work reported in this paper.

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