



# A Study on Impact of Privacy and Password/Account Sharing of OTT platforms.

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## Abstract:

The Subject of Study here is the issue of Account credential Sharing of OTT Platforms to other non-subscribers and its Impact on Revenue. To conduct my study I have prepared a Public Survey Form which has some 14 sets of Questionnaires for Public. The result of the Survey is analysed using Tableau and present here as my study. My Study also covers data from various other surveys done Private entities and is on Public Domain. The Link for the same is added in Footnote wherever is needed.

## Introduction:

The Over the Top(OTT) is a media service offered to users directly over Internet. There was a time when we had theatre and Television for consumption of movies, audio and video tracks. As the technology progressed, the same was accessed in home via VCRs and Magnetic Tapes then in the form of CD, DVDs and Blue rays. With further progress in technology, the introduction of cable Tv telecast many content through Co-axial and fibre optic cables. Another advancement in technology brought in the satellite and dish connectivity, this gave birth to Direct-to-home (DTH) technology which brought high-quality broadcast and on-demand content directly to the consumer. Now, Presently in the age of Internet and especially at times when we have an

Internet boom in our Country due to rise of Reliance Jio which forced all carrier to lower the Prices and also in Covid environment. An highly conducive home grown environment is created for OTT Technology Platforms to grow. Viewers can access video content through OTT apps or Webpage in any Internet-connected device like a Smartphone, smart TV, tablet, desktop computer, laptop, etc. Unlike traditional media, streaming services tell varied stories that are not Restricted by censors, box office or demographic. It gives a viewing experience with greatly improved sound and visual quality, provided the consumers have a stable Internet. OTT bypasses cable, broadcast, satellite television and other platforms that generally act as a controller or distributor and enables disintermediation. The sole gateway to consumers', in the age of traditional media, was through film distributors, theatre runners, television networks or Multiple System Operators (MSOs). With OTT, the content creators can interact with their audience directly through a web page or Smartphone app. This offers the comfort of viewing movie and other entertainment at one's convenient time and place.

The Growing demand of OTT among Indians has now made this a necessity among millennials and even in other age groups also. This has led to many big OTT Players Like Netflix, Amazon Prime, Hot star etc. to double its profit and also encouraged many new OTT Players like ZEE5, ALT- Balaji, BOOKMYSHOW-STREAM, Hungama-Play, Voot, JioCinema etc. to spread its wings. Though this sudden boom also has many Challenges attached to it which may negatively impacts OTT Growth. Some of these Challenges are :-

Misunderstanding your audience, Using the wrong technology, Showing the wrong content, Offering a poor user experience, Managing expectations and Sharing User Account Credentials to other Non-Subscribed users. Here in this Paper, I will be presenting my study on the Last Point, Based on my Public Survey report and also analysing various data from other sources.

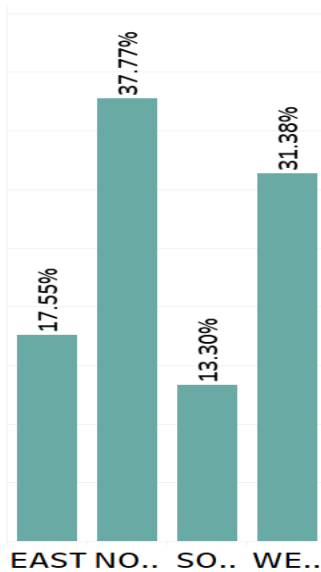
## Review of Literature:

The Complete Survivability of OTT depends entirely on Internet Penetration and Data Cost. The launch of Jio brought a whole Data Cost and Internet penetration war with it, which drastically brought down Internet Data Cost from Rs300-500 per GB to Rs12-14 Per GB and also Pumped up the Internet penetration in Country. This revolutionary Change in Digital Market created a highly fertile ground for OTT Concept to Conceive. Hence in 2008, "BigFlix" Launched by Reliance Entertainment made its first Foot Print in Indian Market. BigFlix allowed users to Stream and Download Movies any time by paying a fixed subscription Charges. In 2010, Digivive Launched India's First OTT Mobile App called "nexGTV" which provides access to both Live Tv and On-demand content. nexGTV is first app to live stream Indian Premier League matches on Smart Phones in 2013 and 2014. OTT gained significant Momentum in India when both DittoTV from ZEE and Sony Liv were launched in Indian

market around 2013. DittoTV contained shows from various media channels like Star, Viacom, Zee, Sony etc. Latter International OTT Platforms like Netflix, Hotstar, Amazon Prime were launched in India after 2016.

The Year 2019 and 2020 was quite a year for streaming service. Covid restrictions turned out to be a boon for this industry. We saw a drastic growth and dynamism in exclusive content from Streaming services like NetFlix, Amazon Prime, Hotstar, Alt Balaji etc. Now in order to keep the ball rolling for OTT Industry. OTT Platform charges a specific subscription charges monthly or yearly from there customer. Now Here comes the actual Catch. Many Customers share there Credentials with there known ones or in groups. This Results in huge losses to OTT as there contents are freely accessible to many non-subscribed customers too. This problem of Credential Sharing is not Specific to any single country. As per the estimates from Cartesian, surveying nearly 1200 American Consumers, reveals that 27% of consumers access these OTT Contents using credentials of some other person whom they do not live with. Among millennials and post millennials the problem is worse, with 35% sharing OTT Credentials. Compared to 19% of Generation X subscribers and only 13% of Baby Boomers. The Situation is no different in India either.

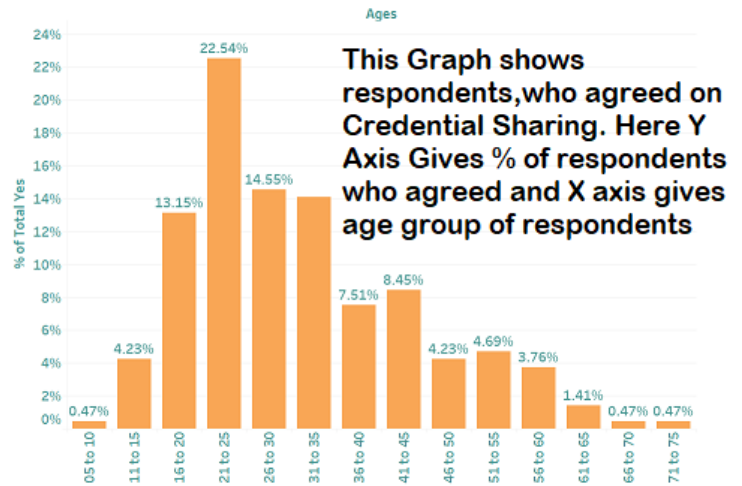
#### region of INDIA



To study the Indian pattern in Credential sharing and OTT usage, I distributed a Public Survey form and gathered around 409 respondents on Usage Trends and Credential sharing related to 10 OTT Platforms operating from different parts of country and from different age groups and Occupation. As per the Survey, majority of my respondents i.e. around 69% who used OTT Platforms were from North and Western Part of Country and 31% from East and Southern part. In this, overall 55.2% of respondents were male and 44.8% were female with 28% in 15-25 age group, 26% in 25-35 age group, 16% in 35-45 age group, 13% in 45-55 age group and 13% in 55+ age group. Age factor plays a very vital role to this Problem. As per a Consumer Survey Conducted by “Hub Entertainment Research and Dynata”, a notable upshift in this trends was observed in young generation mainly

from 16 to 25 of age group. Around a third (29%) of this age group used someone else password to view OTT Content, which was more likely to be a friend than a family member. This make me to recall an Ad Line in Airtel Ad:- “Har EK Friend Zaroori Hota hai” (Every Friend is Important).

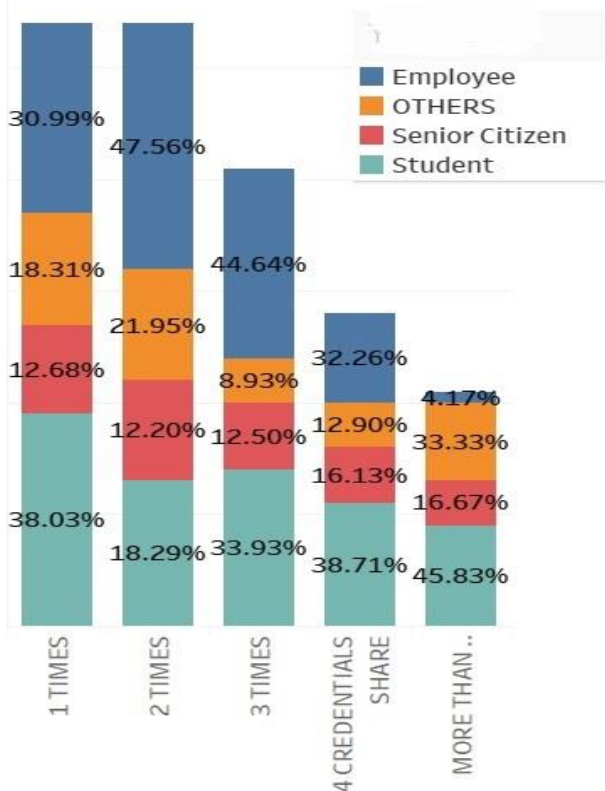
As we move further in age group this high trend slowly sees a down slope. A similar trend in different age groups was also observed in my survey also. As can be seen in adjacent graph. Almost 22.54% of Respondents a highest among all is seen in 21-25 Age groups. This slowly sees a decline as we further proceed in age. The young generation with age group 16-25 which mainly has College Going students and freshly employed Employees, constitutes around one third i.e. 35.7% of the whole respondents. This Figures goes slightly down to 28.55% among 26-35 Age Group and further down to 16% in 36-45 age Group and finally near about to 1-2% in 60+ category. Given how my young Friends share their account details, I am not not surprised by the figures mentioned in this graph.



*“There is a cultural shift particularly among young people, where sharing things with people you know, or them sharing with you, is an accepted way of doing business, and it is an attitude that is going to impact how they consume lots of things, not just TV and movies,” Jon Giegengack, from Hub Entertainment Research, told THR.*

As we know, The OTT Platform operating now is of Subscription model. Hence in order keep themselves afloat, and to make OTT Market more sustainable. OTT platform need to have more subscriptions and need to keep a lid on data piracy happening via credential leak. To drill down further on this, Using Tableau and my survey data sheet I was able to figure out the frequency at which this credential sharing is done among different professions. In Adjacent Bar Graph.

### NO. OF TIMES CREDENTIALS SHARE



almost one Third had shared either 1 time, 3 times and 4 times. This Trend was lowest among Senior Citizens(Retired and 60+) and second highest among Employees . Well, almost a Close fight in Employee and

Student category. Under Employee Category, large number of respondents (47.56%) had shared their credentials 2 times followed by 44.64% shared for 3 times and almost one third had shared ones and more than 4 times. For Shared to more than 4 Contacts it was seen to be least of 4% only.

The Other Category (Business man, Housewife etc) had a maximum of 33.33% who shared to more than 4 and a least of 8% of ones who shared to 3 contacts.

- **THE VERDICT:**

As per my whole Study on this issue, it is observed that credential leak is most frequent among Student category. “Har Friend Zaruri hota”(Every Friend is Important) clearly meant it. After students, the trend slowly goes down. Elderly people tends to share very less. The second category with most credential leak is of Employees or from age group 22 or 23 to 40.

- **CONCLUSION:**

As per a study by “Cordcutting” around \$2.3billion in revenue is lost each year in US for Netflix due to credential leak. Amazon Prime reported a Loss \$540 million. This Direct revenue loss is not the only consideration for OTT Companies. Additional risks are:-

- Content Cost will be high owing to high revenue loss due to credential sharing.
- Increased Streaming demand will need Increased operating costs to support both real and virtual infrastructure
- Low revenue from any content may lead to Breaking of content licensing agreements

Hence there needs to be additional checks to reduce the risks. As high credential leak turnout is among student category, this may be due to their financial restrictions. Hence there needs to be **separate pricing scheme** for them which can be availed by showing there student proof. As of now this is in force among many big OTT Players in India. The reduced prices for students will pull more to buy their own Subscription instead of using others. In addition to this, **Periodic password change** can also be one option to deter password sharing. **Geo-Fencing** is also a measure, in this if there is a huge difference in locations of two different access at two different points. Then system may wither lock or again ask for user authentication. **2 factor Authentication** as adopted by google to secure there Gmail account can also be look forward into. **Finger Print login** in OTT Platform can also secure OTT from Password leaks, as now most of the smart phone and laptop comes with a finger print reader it won't be difficult to do this simple integration of finger print reader with OTT Platform.

While clamping down on freeloaders, these streaming services could also annoy existing customers who would then not have the freedom to log in and use the service that they paid from different devices. It'll be interesting to see how the these additional security features when implemented, clamps down on non-paying users in the future. But even if it does manage to clamp down on freeloaders, it'll be interesting to see if these “illegitimate” users will sign and up and pay for services eventually.



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