



## Original Research Article

# The impact of original content production on subscriber acquisition and retention in OTT platforms

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## Abstract

The Over-the-Top (OTT) streaming industry is undergoing rapid transformation, with original content emerging as a key driver of subscriber growth, audience retention, and competitive differentiation. This paper explores the future trends shaping original content production on OTT platforms. Key developments include the increasing use of Artificial Intelligence (AI) and data-driven analytics for content personalization, the rise of regional and niche storytelling to cater to diverse global audiences, and the integration of immersive technologies such as Augmented Reality (AR) and Virtual Reality (VR) for enhanced user engagement. Additionally, there is a growing demand for short-form and mobile-optimized content, reflecting changing consumer viewing habits. The industry is also witnessing a shift toward sustainable production practices, AI-generated content, and deepfake technology, raising ethical and regulatory considerations. As subscription fatigue becomes a challenge, platforms are exploring ad-supported revenue models and hybrid monetization strategies. Furthermore, increasing emphasis on diversity and inclusion in original programming is reshaping content strategies to reflect a broader range of voices and experiences. The future of OTT original content will be defined by technological advancements, evolving audience expectations, and strategic innovation, positioning streaming platforms for sustained growth and industry leadership.

**Keywords:** Augmented Reality, Virtual Reality, OTT platforms, Artificial Intelligence, Hybrid monetization

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## 1. Introduction

The revolution in the entertainment industry is more commonly named – OTT (Over-the-top). The rise in the consumption of OTT platforms has successfully dominated over traditional television and cinema. As the digital infrastructure is developing a lot, smartphone penetration and good quality of internet services play a very important role in the expansion of the use of OTT platforms. Some of the most common services can be named like Netflix, Disney plus Hotstar, Amazon Prime Video, Sonyliv, etc.

The boon for OTT was the pandemic period of COVID-19. The people had no other option but to stay in the house, which greatly accelerated the usage of OTT platforms. The success factors of various OTT platforms can be considered as convenience, content quality, wide range of genre, original content and many more. The originality of the content is major source of any person subscribing for the OTT platform. People nowadays have much interest in the variety and

originality of the content. There are many original shows which public loves and happily subscribes to watch further content like that.

## 2. Literature Review

This study explores strategies adopted by OTT platforms to enhance consumer loyalty, focusing on aspects like content differentiation and consumer engagement. The paper highlights the supplier perspective in the video on demand (VoD) sector. Gurpreet Kour and Bhavika Chhabria (2022) identified some key strategies that helps increasing consumer loyalty, by interviewing 16 industry experts from OTT platforms. The four major findings include, consumer experience, content differentiation, consumer sense-making and engagement and platform extension.

1. The review paper examines the evolution of OTT platforms and their services. Prateek Khanna, Reetika

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Sehgal, Ashish Gupta, Ashish Mohan Dubey, and Rajeev Srivastava (2024), utilized a hybrid method that combines bibliometric and thematic analysis to identify six major themes. The six themes are OTT infrastructure and technology advancement, OTT consumption behaviour, Shifting trends towards OTT platforms, Viewers' engagement in digital media, OTT in the global market, OTT policies and regulatory mechanisms.

2. Dr. Bharat Dhiman (2023), in the review paper, writes about the hype of regional content on Indian OTT platforms. This paper mainly focuses on how the original content in various regional languages serves the local audience and reflect their cultures. It underlines the importance of regional content in expanding subscriber base and also increase the viewer engagement in country like India, which is a multi-lingual country.
3. The article by Javed Farooqui (2022) gives the statistical reports for the investment made in the original content by the OTT platforms, which sums around 3700 crores in 2021. This article highlights the various competitive strategies by the OTT platforms, for attracting and retaining subscribers with the help of exclusive offerings. This article shows the challenges of balancing content quality alongwith the heavy production costs.

## 2.1 Theoretical framework

### 2.1.1 Long tail theory

The Long Tail Theory, introduced by Chris Anderson in 2004, explains how digital markets and the internet economy thrive by catering to niche audiences rather than just focusing on mainstream, high-demand products. The theory suggests that businesses can generate significant revenue by selling a wide variety of less popular items, rather than relying solely on a few bestsellers.

## 3. Key Principles of Long Tail Theory

1. **Shift from Hits to Niches** – Traditional retail stores focus on blockbuster products due to limited shelf space, but digital platforms can offer an extensive catalogue, including less popular or niche content.
2. **Infinite Shelf Space** – Online businesses (like Netflix, Amazon, and Spotify) can store and distribute vast amounts of content without physical limitations.
3. **Lower Distribution Costs** – Digital platforms reduce costs for storage, production, and delivery, making it profitable to sell niche content.
4. **Personalization & Recommendations** – Algorithms and AI help suggest niche content to the right audiences, driving engagement beyond mainstream offerings.

## 4. Examples in OTT & Digital Markets

**Netflix & Amazon Prime Video:** While they promote blockbuster movies, they also profit from niche documentaries, indie films, and regional content.

**Spotify & Apple Music:** Apart from top-charting songs, they monetize lesser-known artists through playlists and recommendations.

**Amazon & eBay:** Instead of relying only on bestselling products, they earn revenue from millions of niche items.

The Long Tail Strategy benefits both consumers and businesses, as users get diverse content choices while companies increase revenue by tapping into niche markets.

### 4.1 Rise in the original content on OTT Platforms

The rise of original content on OTT (Over-the-Top) platforms has been a defining trend in the digital entertainment industry. Initially, OTT services relied on licensed content from traditional media companies, but the increasing competition and the demand for unique, high-quality content have led platforms to invest heavily in their own productions. This section explores how and why OTT platforms have shifted toward original content, examining case studies of successful originals and how they provide a competitive advantage.

#### 4.1.1 Shift from licensed content to in-house productions

In the early days of OTT streaming, platforms like Netflix, Hulu, and Amazon Prime Video primarily licensed movies and TV shows from major studios. This approach helped them build an initial user base, but it also made them dependent on third-party content providers. As competition intensified, major studios began pulling their content to launch their own streaming services (e.g., Disney+ taking back Marvel, Star Wars, and Pixar content).

To counteract this shift, OTT platforms started producing their own original content. This move ensured:

1. **Exclusivity:** Original content is available only on the platform, preventing competitors from offering the same shows.
2. **Long-term Cost Efficiency:** Licensing fees for popular content can be extremely high, whereas in-house production provides better control over long-term monetization.
3. **Brand Identity:** Unique content strengthens a platform's brand and differentiates it from competitors.
4. Netflix was one of the first platforms to make this transition with its original series *House of Cards* (2013), which set the stage for a content revolution in streaming.

## 5. Competitive Differentiation Through Original Programming

Original content not only helps attract new users but also plays a critical role in subscriber retention. Platforms leverage original programming to:

1. **Create Franchise Potential:** Successful originals can lead to sequels, spin-offs, and merchandise opportunities (e.g., *The Witcher* on Netflix leading to animated series and prequels).
2. **Enhance Global Reach:** Investing in region-specific originals (e.g., *Sacred Games* in India, *Money Heist* in Spain, *Squid Game* in South Korea) enables platforms to tap into new markets.
3. **Encourage Binge-Watching Behaviour:** Platforms design their original shows to be highly engaging, increasing watch time and reducing churn rates.
4. **Strengthen Brand Loyalty:** A library of high-quality, exclusive content makes it harder for users to switch to competing services.

## 6. Future Trends in Original Content for OTT Platforms

The landscape of original content production on OTT platforms is constantly evolving as streaming services strive to retain audiences, expand global reach, and enhance profitability. Technological advancements, shifting consumer preferences, and the growing competition among platforms are shaping the future of content creation. Below are some key trends that are expected to drive the future of original content in the OTT industry.

### *AI and data-driven content recommendations*

With the increasing use of Artificial Intelligence (AI) and Machine Learning (ML), OTT platforms are leveraging user data to create highly personalized recommendations and optimize content production.

1. **AI-driven content creation:** Streaming platforms analyse user behaviour, search trends, and viewing patterns to determine what types of original content are likely to succeed.
2. **Hyper-personalization:** AI-powered algorithms help customize trailers, thumbnails, and promotional materials based on user preferences.
3. **Predictive analytics for content investment:** Platforms use big data to predict the success of certain genres, themes, and storylines before production begins.

For instance, Netflix's recommendation engine is responsible for 80% of the content watched on the platform, demonstrating the power of AI in content engagement.

## 7. Interactive and Immersive Content (AR, VR, and Gamification)

The demand for engaging and interactive storytelling is growing, and OTT platforms are experimenting with

Augmented Reality (AR), Virtual Reality (VR), and gamification elements in their original productions.

1. **Interactive storytelling:** Netflix's *Black Mirror: Bandersnatch* was a pioneering example of **choose-your-own-adventure** storytelling, where viewers controlled the narrative.
2. **VR-based content experiences:** Platforms like Meta (formerly Facebook) and Apple TV+ are exploring the use of VR for immersive storytelling in movies and series.
3. **Gamification of original series:** Some OTT platforms are integrating gaming elements into their content, such as companion mobile apps or interactive episodes where viewers participate in decision-making.

## 8. Short-Form and Episodic Content for Mobile Streaming

With the rise of on-the-go entertainment, there is increasing demand for short-form original content tailored for mobile users.

1. **Growth of short-form platforms:** Apps like YouTube Shorts, TikTok, and Snapchat Discover have influenced OTT platforms to create bite-sized original series.
2. **Rise of episodic storytelling:** Platforms like Quibi (despite its failure) paved the way for ultra-short series, which are now being revived on Netflix's "Fast Laughs" and Amazon MiniTV.
3. **Vertical content for mobile streaming:** With mobile-first consumption increasing, some OTT platforms are experimenting with vertical video formats similar to TikTok and Instagram Reels.

## 9. Conclusion

1. The future of original content on OTT platforms will be driven by technological advancements, global market expansion, audience engagement strategies, and sustainability efforts.
2. As competition intensifies, platforms that embrace innovation and adapt to changing viewer preferences will remain dominant in the industry.
3. AI-driven storytelling is expected to reshape the creative process in OTT content production.

## 10. Source of Funding

None.

## 11. Conflict of Interest

None.

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