

Digital Disruption and Coexistence: A Study on OTT Platforms and the Future of Indian Movie Theatres

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Abstract

This article explores the rising impact of Over-the-Top (OTT) digital streaming platforms on India's traditional movie theatre industry. With rapid advancements in mobile internet access, changing viewer habits and growing demand for on-demand content, OTT platforms have significantly altered the media consumption landscape. The study investigates key factors such as time spent on platforms, content preferences, pricing models and viewer motivations, highlighting how affordability, convenience and personal control are shifting audience engagement toward digital media. Despite this trend, the research also points to the continued relevance of theatres, which offer a communal and immersive viewing experience that streaming services struggle to replicate. As audience expectations evolve, the findings suggest that rather than competing directly, OTT platforms and theatres are likely to coexist—each serving different needs and moments in the consumer's entertainment journey. The future of the entertainment industry in India is therefore seen as a blended model where digital accessibility and cinematic experience complement each other.

1. Introduction

India's entertainment landscape is undergoing a historic transformation, fueled by technological advances and evolving audience behavior. Over-the-Top (OTT) platforms such as Netflix, Amazon Prime Video, Disney+ Hotstar and Zee5 have rapidly gained prominence, redefining how millions of Indians access and engage with content. This growth has been made possible by the widespread availability of affordable smartphones, increasingly competitive data plans and expanding internet penetration even in non-metropolitan areas. As a result, the traditional boundaries of time, location and cost associated with media consumption have begun to blur. The COVID-19 pandemic acted as a catalyst in accelerating this transition. With cinema halls across the country forced to shut their doors during multiple lockdowns, audiences naturally gravitated toward digital platforms that offered uninterrupted access to films, web series, documentaries and more—all from the safety and comfort of their homes. What began as a necessity soon evolved into a preferred habit. Audiences found themselves immersed in a

media environment that was not only more personalized but also on-demand, flexible and, in many cases, more economical than the conventional cinema-going experience.

However, this shift has also given rise to a crucial debate within the entertainment industry: are OTT platforms replacing movie theatres, or is there room for both formats to thrive simultaneously? On one hand, OTT services offer unmatched convenience and customization. Viewers can choose what to watch, when to watch it and on which device, all without leaving their homes. This flexibility is particularly appealing to younger, digitally native audiences who value control and accessibility. Moreover, the sheer range of content—spanning languages, genres and cultures—adds to the appeal of digital streaming.

On the other hand, the cinema-going experience provides something intangible yet irreplaceable. Theatres offer scale and spectacle—large screens, immersive sound and a communal atmosphere that amplifies emotional engagement. For many, watching a film in a theatre remains a ritual, a shared cultural event that cannot be replicated on a smartphone or television screen. The act of going out, queuing for tickets and experiencing a story collectively with others in a darkened room has emotional and social dimensions that extend beyond the content itself.

In light of these parallel strengths, it becomes imperative to investigate whether the relationship between OTT platforms and movie theatres is one of competition or coexistence. This article seeks to explore that relationship by analyzing viewer preferences, economic factors and the emotional motivations behind content consumption. Through a deeper understanding of what audiences value in both formats, we can begin to map out the future of entertainment in India—one that may not require a winner and loser, but rather a redefined equilibrium between two powerful mediums.

2. Findings and Discussion

2.1. Viewing Habits and Platform Time

The growing dominance of OTT platforms in everyday life is reflected in the increasing amount of time users devote to digital content consumption. Recent viewer behavior trends indicate that a substantial segment of the audience now incorporates OTT viewing into their daily routines. Approximately 32.5% of users spend between one to two hours each day on platforms like Netflix, Amazon Prime and Disney+ Hotstar, while another 23.9% engage with these platforms for up to three hours daily. This consistent engagement is not spread randomly across

the day but rather peaks during the evening and late-night hours, particularly between 6 PM and midnight. This time frame aligns with traditional leisure periods, suggesting that OTT has effectively positioned itself as the preferred form of relaxation and entertainment after work or study hours (Varghese & Chinnaiah, 2021).

This behavioral shift indicates a broader transformation in how audiences structure their entertainment choices. Unlike the scheduled and location-bound experience of traditional movie theatres, OTT content is always available and highly personalized. The ability to watch content on-demand has blurred the boundaries between passive television viewing and active cinema-going, offering a hybrid that fits more seamlessly into users' daily lives. According to a report by the Boston Consulting Group (2020), India's OTT user base has grown exponentially in recent years, driven not only by affordability but also by lifestyle integration—content is now consumed during commutes, while multitasking, or as a primary evening activity. In contrast, the frequency of theatre visits has diminished considerably. Survey data show that only 39.9% of viewers report visiting a cinema once a month, with an additional 28.5% attending only occasionally. This reduction in footfall is not merely a result of pandemic-related restrictions, but also reflects evolving consumer preferences where time, effort and cost are weighed against the convenience and accessibility of streaming options. As Deloitte (2021) notes, digital natives increasingly value content that is flexible and immediate, pushing traditional theatre attendance into the category of planned, less spontaneous experiences.

Taken together, these findings highlight a notable reordering of entertainment hierarchies. OTT platforms are no longer supplementary; they have become central to the way media is consumed in urban and semi-urban India. Their growing presence in personal leisure time underscores their ability to not only deliver content but also to adapt to shifting temporal patterns in everyday life. Meanwhile, cinema is gradually becoming an event-based activity reserved for special occasions or high-impact releases. The data point toward a future where OTT platforms dominate routine entertainment, while theatres play a more selective, premium role in the media consumption spectrum.

2.2. Content Preferences

A defining trend in today's entertainment landscape is the increasing dominance of content-driven narratives, especially on OTT platforms. According to recent data, around 82.5% of respondents prefer watching movies on these platforms, while 68.7% actively engage with web series—indicating a growing appetite for serialized storytelling and character-driven plots

(Varghese & Chinnaiah, 2021). Unlike traditional broadcast media or theatrical releases that often rely on star appeal, OTT platforms empower audiences to explore a wider range of content, often beyond linguistic, regional, or even genre boundaries. The nature of these platforms—designed for binge-watching and tailored recommendations—encourages deeper viewer engagement with layered stories that might not conform to conventional commercial formats (MICA, 2019). What is particularly compelling is that this preference for narrative substance is not restricted to digital platforms alone. The shift is also apparent in theatrical consumption patterns. While Indian cinema has historically leaned on celebrity-driven marketing to ensure footfall, survey respondents and industry stakeholders alike acknowledge a move toward valuing story over stardom. In fact, many theatre-goers now consider critical reviews and script quality as key determinants for purchasing a ticket, signaling a break from the traditional belief that big names alone can draw audiences (Bhattacharya, 2019). The growing success of content-heavy films like *Article 15* or *The Kashmir Files*, which lacked conventional "superstars" but thrived due to their bold narratives, supports this perspective (Sharma, 2020). However, critical evaluation demands that we resist oversimplification. While the phrase "content is king" has gained traction, it should not be interpreted as a complete dethronement of star culture. For many viewers, especially in rural or tier-2 markets, celebrity appeal still plays a central role in drawing audiences to theatres (Mukherjee, 2019). Moreover, big-budget spectacles backed by A-list actors often dominate opening weekends, regardless of storyline. What seems to be emerging instead is a dual audience sensibility—one that embraces nuanced storytelling on OTT platforms, while still finding value in the experiential and communal dimensions of cinema.

This dual trend points to a redefinition rather than a replacement of viewing priorities. As consumers become more discerning and digitally literate, both platforms are being challenged to innovate in ways that prioritize quality. For OTT, this means pushing the boundaries of form and genre. For cinema, it may mean investing in content-rich scripts and elevating the in-theatre experience. Ultimately, the success of any medium will rest not on spectacle alone, but on its ability to tell stories that resonate—emotionally, socially and culturally—with its audiences.

2.3. Cost Sensitivity and Affordability

The affordability of OTT platforms plays a pivotal role in their widespread adoption across diverse Indian demographics. Data reveals that approximately 40.5% of users access OTT content either through free plans or by sharing subscriptions, while another 40% are willing to

spend between ₹100–₹200 per month for premium access (Varghese & Chinnaiah, 2021). In contrast, a single movie ticket in urban multiplexes typically ranges from ₹150 to ₹200 and this cost multiplies when factoring in transport, snacks and group outings. This cost differential positions OTT as a far more economical choice, especially for viewers seeking frequent or daily content consumption. As per the CARE Ratings report (2018), the value proposition of OTT platforms becomes even more attractive in households with multiple viewers, where a single subscription serves multiple users across devices, lowering the per-capita cost of entertainment dramatically.

However, a deeper examination suggests that while price is a major factor, it is not the sole determinant of platform preference. Critical engagement with this data highlights that OTT's appeal also lies in the perception of value-for-money. The flexibility to pause, resume, or binge-watch content at will gives users a sense of control that traditional cinema-going cannot match. Moreover, OTT subscriptions often include access to vast libraries of films, web series, documentaries and international content—all under one umbrella—further reinforcing their appeal (MICA, 2019). The perceived affordability thus extends beyond the financial to include time, choice and convenience, making OTT consumption not only cheaper, but more efficient and personalized. Yet, it is important to acknowledge that theatres offer a different kind of value. For many viewers, particularly in Tier 1 and Tier 2 cities, the cinema is not just about watching a film but participating in a social experience. Mukherjee (2019) points out that for blockbuster releases or family outings, consumers are willing to pay a premium for the ambience, screen size and immersive sound that OTT platforms cannot replicate. Moreover, the willingness to spend on cinema is often linked to event-based viewing—such as new releases, festivals, or celebrations—which suggests that the perceived value of theatres is tied to the occasion rather than the frequency of use. This duality in pricing perception reveals an important insight: while OTT platforms dominate regular, everyday entertainment due to their cost-effectiveness and accessibility, theatres continue to hold relevance as occasional, premium experiences. Rather than viewing these formats as mutually exclusive, a critical understanding of user behavior indicates that they serve complementary purposes. Consumers today are not choosing one over the other; instead, they are fluidly navigating between both, allocating their time and money based on context, content and experience. As such, pricing strategies in both sectors must consider not just economic affordability but also experiential value and consumer intent.

2.4. Motivation and Decision-Making

Consumer decisions around media consumption are increasingly shaped by social cues and experiential expectations, particularly when comparing Over-the-Top (OTT) platforms with traditional movie theatres. For OTT content, word-of-mouth remains one of the most influential motivators. Viewers often rely on personal recommendations from friends, family, or social media influencers to decide what to watch next. The ease of sharing content links, trailers, or quick reviews has made OTT inherently social, even when the act of consumption is solitary. Varghese and Chinnaiah (2021) found that a significant number of respondents identified personal referrals and trending shows as leading triggers for engaging with new digital content. This informal network of endorsements often carries more weight than platform-curated suggestions or traditional advertisements.

By contrast, theatrical attendance is still largely influenced by formal reviews and ratings published in newspapers, review platforms, or film critique websites. As theatre outings require a financial and logistical commitment, viewers tend to evaluate them more cautiously. Reviews serve as gatekeepers of quality, guiding audience decisions in a landscape still dominated by high ticket prices and limited showtimes. According to Sharma (2020), the credibility of these reviews often determines whether a viewer will make the effort to visit a cinema, especially for films without major stars or promotional budgets. This difference in influence channels—peer-to-peer for OTT and critic-to-public for theatres—reflects the divergent nature of risk and investment involved in each experience.

Crucially, what sets theatre visits apart is the expectation of a superior sensory experience. Audiences often reserve cinema trips for high-budget films that promise advanced visual effects, spatial sound design and immersive storytelling. Elements like screen size, surround sound and even seat design become part of the overall appeal. Despite the growing resolution, personalization and interactivity of OTT platforms, they remain limited by the physical constraints of personal devices. As Mukherjee (2019) notes, theatres continue to be the only venue capable of delivering truly enveloping audio-visual environments, especially for genres such as action, science fiction, or historical drama.

Nevertheless, critical engagement requires us to question whether these boundaries are as rigid as they appear. The assumption that OTT cannot replicate cinematic impact is being challenged by advancements in home theatre systems, smart TVs and high-fidelity streaming. Platforms are now investing in Dolby Vision and Dolby Atmos compatibility, attempting to narrow the gap between living room and multiplex. Still, the communal aspect of theatrical viewing—the

gasps, laughs and shared silences of an audience—remains difficult to digitize. While OTT can match quality to some extent, it cannot reproduce the public, performative nature of the cinema experience.

This divergence points to a layered pattern in consumer behavior: while OTT is largely driven by casual, peer-endorsed exploration, theatres remain a destination for curated, high-impact viewing shaped by expert opinion and collective anticipation. Understanding these different motivational landscapes allows content creators and distributors to tailor their release strategies more effectively—targeting intimate narratives toward digital platforms and spectacle-driven stories toward theatrical rollouts. As viewing contexts continue to evolve, these psychological and social motivators will play a key role in defining how each medium is positioned in the broader entertainment economy.

2.5. Coexistence or Competition?

The rise of Over-the-Top (OTT) platforms has undeniably disrupted traditional entertainment channels, particularly movie theatres. A notable 45.1% of respondents in recent studies perceive OTT as a direct threat to the cinema industry, largely due to its accessibility, affordability and personalized content delivery (Varghese & Chinnaiah, 2021). The appeal of being able to stream diverse content at one's convenience—anytime, anywhere—has led many to adopt digital streaming as their primary mode of entertainment. This aligns with broader global trends noted by Banerjee et al. (2014), who observe a clear trajectory of “cord-cutting” in favor of more flexible, digital consumption patterns. Additionally, Jose (2020) emphasizes that younger demographics in India are particularly drawn to OTT platforms for their user-controlled viewing and multi-language offerings, positioning OTT as a dynamic alternative to the fixed schedule and format of theatrical releases.

However, a deeper look at audience preferences reveals an important nuance often overlooked in surface-level disruption narratives. While OTT platforms dominate in frequency of use and convenience, many viewers still reserve their most anticipated cinematic experiences—particularly high-budget films, emotionally charged stories, or visually rich productions—for theatres. These preferences are rooted in the unique sensorial and communal aspects of the cinema environment, including the scale of the screen, the depth of surround sound and the collective audience reaction, which contribute to a heightened emotional experience (Mukherjee, 2019). Viewers often describe the ambience of a theatre as immersive and

irreplaceable—features that even the most technologically advanced home streaming setups struggle to replicate (Waldfoegel, 2017).

Critically, this pattern challenges the oversimplified assumption that OTT and theatres are locked in a zero-sum game. Instead, what emerges is a differentiated use-case scenario: audiences fluidly navigate between platforms based on content type, occasion and emotional intent. While OTT platforms dominate routine and solo consumption, theatres remain relevant for event-based and shared experiences. As Park (2017) notes in the context of the U.S. market, platforms like Netflix may win in scale, but they do not always compete in kind—especially in categories where the experiential quality of viewing matters more than convenience.

Furthermore, emotional attachment to theatres is not solely based on nostalgia or habit. Rather, it reflects a consumer choice grounded in perceived experiential value. In an era of content abundance, where quantity often overshadows quality, theatres offer a curated, premium environment that signals the significance of a release. This perceived value explains why certain genres—such as action, historical drama, or musical performances—continue to draw large theatrical audiences despite the availability of their digital counterparts. As Alam (2020) observes, regional audiences in India, while engaging increasingly with OTT platforms, still demonstrate strong loyalty to theatrical releases for culturally resonant or socially shared viewing.

In sum, while OTT has transformed viewing habits through convenience and content diversity, it has not supplanted the core cultural and experiential functions of cinema. Instead of viewing the rise of digital platforms as the decline of theatres, it is more accurate—and more critically sound—to interpret this shift as a rebalancing. The entertainment ecosystem is no longer shaped by a single dominant medium, but by the coexistence of two interdependent formats, each serving distinct yet overlapping audience needs.

2.6. Subscription Models and Willingness to Pay

The evolution of subscription models has become central to the sustainability of both OTT platforms and cinema halls in a post-pandemic landscape. A significant portion of viewers—36.5%—express willingness to adopt theatre-based subscriptions, especially when paired with tangible benefits like bundled tickets or region-sensitive pricing (Varghese & Chinnaiyah, 2021). This suggests growing consumer openness to recurring payment models when perceived value is clear, mirroring the success of global initiatives such as Cineworld's Unlimited plan (Park, 2017). However, this flexibility does not extend equally to OTT

platforms, where over half of users resist paying extra for premium releases beyond their existing subscriptions (Varghese & Chinnaiah, 2021). As Waldfogel (2017) notes, in content-rich digital environments, consumer value perception declines with each added cost, highlighting a pricing ceiling OTT providers must navigate carefully.

Compounding this issue is the pandemic's long-term effect on viewing behavior. While audiences express a desire to return to theatres, they plan to do so cautiously—typically after a delay of 1–3 months post-reopening—reflecting persistent concerns around health and shared public spaces (Varghese & Chinnaiah, 2021). This hesitancy reinforces Banerjee et al.'s (2014) assertion that disruptions, when prolonged, tend to solidify new habits. To win back trust, theatres must now deliver more than entertainment—they must guarantee safety and assurance. As Jose (2020) argues, factors like hygiene, contactless services and spatial design have become critical in shaping audience confidence.

Ultimately, these insights reveal a deeper shift in audience expectations. The value consumers seek today is no longer purely transactional; it encompasses convenience, emotional comfort and safety. Both OTT and cinema industries must respond not just with better pricing, but with holistic experiences that address the post-COVID viewer's redefined priorities.

3. Conclusion

The shifting dynamics between OTT platforms and cinema halls, especially in the wake of the COVID-19 pandemic, underscore a deeper evolution in audience expectations and consumption behavior. As findings suggest, consumers are increasingly open to flexible, value-driven models such as theatre subscriptions—particularly when coupled with tangible incentives like bundled pricing and regional affordability (Varghese & Chinnaiah, 2021). At the same time, there is resistance to layered pricing structures in OTT services, revealing a clear price sensitivity and a demand for transparent, all-inclusive access (Waldfogel, 2017). These preferences point to a refined understanding of value—one that is no longer limited to content availability, but rooted in perceived fairness, convenience and accessibility.

Compounding these economic expectations is the lasting psychological impact of the pandemic. Audiences, though eager to return to cinemas, exhibit cautious behavior, shaped by trust deficits in public venues and prolonged adaptation to at-home viewing (Banerjee et al., 2014; Varghese & Chinnaiah, 2021). To remain relevant, theatres must reframe their offerings not just as entertainment experiences but as safe, reassuring social spaces. As Jose (2020)

rightly notes, experiential assurance—through hygiene, contactless services and spatial reconfiguration—will be as essential as storytelling in rebuilding audience confidence.

In essence, the post-pandemic viewer seeks more than just content; they seek context, control and care. This marks a critical juncture for both OTT platforms and cinemas. Sustained relevance will depend not solely on pricing innovation or technological upgrades, but on the ability to deliver holistic, emotionally intelligent experiences. Those who respond to this redefined sense of value—grounded in safety, personalization and ethical pricing—are best positioned to thrive in India's rapidly transforming entertainment ecosystem.

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