Use Cases & Impact of OTT Services: Case Study of Rajasthan (500 Respondents)
It is essential to build user capacity, especially for new users and vulnerable groups, around use, benefits, privacy, data security and grievance redress related aspects of this relatively new paradigm.

Along with major benefits, users also report more than required smart phone usage and other health and social side effects of excessive OTT app usage. Trilateral efforts driven by civil society, service providers and government are imperative to facilitate user empowerment for an informed user base.

To ensure continued momentum of digital inclusion, adequate connectivity infrastructure, appropriate app design and interface for Indian demographics and smart phone & data plan affordability aspects need to be recognized and addressed.

A light touch regulatory approach that does not stunt access for users and restrict the capabilities of service providers is recommended.
Detailed Findings:
Use Cases & Impact of OTT Services:
Case Study of Rajasthan
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1. Background, Objective, Methodology and Location
Background

• Over-the-top (OTT) services are video calling, text messaging, video streaming, document sharing, etc. offered over traditional telecom services.

• Touched the lives of consumers in an unprecedented way, making a smartphone an indispensable part of everyday life.

• It is plausible that the use cases of OTT services differ in different economic setting, infrastructure availability, awareness and education levels, as well as personal characteristics of gender, age and attitude, among other factors.

• As internet penetration is on the rise, these services influence the consumers socially as well as economically.
Objective

• To gather first-hand information on consumer uptake and impact (access to knowledge and information; time and/or cost; efficiency of public services such as health and education, etc.) on different use cases of OTT services in the state of Rajasthan.
Methodology

• A survey (with structured questionnaire) of 500 respondents was conducted in Rajasthan, covering North, South, East and West regions.

• From each region of Rajasthan, one district having the highest literacy rate was chosen.

• From each district, one Rural and one Urban block were selected based on the highest rural and highest urban population.
500 respondents across 5 districts in Rajasthan

- North Rajasthan - Jhunjhunu (size: 100)
- South Rajasthan - Kota (size: 100)
- East Rajasthan - Alwar (size: 100)
- West Rajasthan - Jodhpur (size: 100)
- Central Rajasthan - Jaipur (size: 100)
DEMOGRAPHICS COVERED

**AGE**
- 15-30 years
- 30-45 years
- 45 years and above

**GENDER**
- Male
- Female

**INCOME**
- Lower income
- Middle income
- Higher income

**EDUCATIONAL QUALIFICATION**
- Primary or less
- Intermediate
- Higher

**OCCUPATION**
- Student
- Employed
- Housewives
2. OTT Services: Access and Usage
Over 95% of users access internet through their smart phones.

Majority of the users use their **smart phones to access internet**. Hence, OTT services are important for their access to information and use of services.
Since access to internet is through smart phones, the number of hours spent connected to the internet (such as OTT apps running on the background) is as high as 18 hours per day on an average. The users may not be actively engaged but their data plans are still in use.

Users spend close to a quarter of their online hours on OTT services

Users spent on an average 4hrs per day actively using and engaging with OTT services*.

*actively using OTT applications (like Facebook, YouTube, etc.)
Communication, Entertainment and Social Networking Apps – most widely used OTT services

- **Communication apps**: WhatsApp, Hike, Telegram, etc.
- **Entertainment apps**: Netflix, YouTube, Amazon Prime, etc.
- **Social networking apps**: Facebook, Instagram, Tinder, etc.
- **Financial transactions apps**: PayTm, PhonePe, Google Pay, etc.
- **E-commerce apps**: Amazon, Flipkart, Snapdeal

Apps enabling **financial transactions** and e-commerce have low penetration.
Individual users were more inclined towards using websites (69%) as against OTT applications, to access government services. Primary reason being lack of awareness.

Barriers to the Use of Government Applications through Smart Phones

- Did not feel the need: 47%
- Faced issues while using: 8%
- Lack of awareness about govt apps: 45%

* Based on response to question on preferred mode for availing government services/ providing feedback to govt./ Grievance Redressal etc.
Communication, entertainment, and social networking apps are the most widely used OTT apps. They have presented unique challenges related to content, privacy and data protection. Setting up of optimal regulatory frameworks is essential to ensure access, innovation with appropriate safeguards.

E-commerce and financial apps, which are key to inclusive growth, have low penetration. To increase adoption, apps should be designed keeping Indian demographics such as literacy levels in consideration.

With the help of a trilateral cooperation between government, civil society organisations and service providers, consumer trust needs to be built around financial transactions.

With the push to make service delivery by government departments more digital via the Digital India campaign, it is imperative that government efforts are expended towards awareness and capacity building of users around OTT government apps as well for consumers to understand their usefulness.

Key Recommendations: Access and Usage
3. OTT Services: Impact, Benefits and Challenges
OTT services have assumed an important place in making life easier for users

73% of the consumers reported that OTT Services are very important in making their daily life easier.
Majority of users report positive impact of OTT services, but they also report increased smart phone usage than required.

Impact and Usage of OTT Services

While OTT Services are positively impacting the users, the reported increase in usage of smart phones also suggests that efforts need to be expended towards promoting responsible and balanced use of internet and OTT Apps.
A high percentage of people in vulnerable groups report positive impact of OTT apps

Demographic Characteristics

- % Respondents claiming that apps on mobile devices have positively impacted or benefited their daily lives

- A high percentage of respondents with low literacy levels report positive impact

- High percentage of women have reported positive impact due to usage of OTT apps
Users report Time and Money Saving and Convenience aspect of OTT services as major benefits

**Benefits of OTT Services***

- **70%** Respondents
- **54%** Percentage of consumers reporting benefits
- **43%** Percentage of consumers reporting benefits

*S Top three benefits were chosen from multiple options.*
Benefits of OTT Services by Demographics

Lower percentage of respondents in **Low literacy group** report time, money and convenience as benefits of OTT services.

While saving time is the highest reported benefit of OTT apps for middle- and high-income groups, **money saving benefit is key for lower income group.**

*A higher percentage of women* than men report significant benefits due to OTT usage.
OTT services come with their own set of social, personal and health repercussions.

Increase in distraction due to OTT services have been reported as a major shortcoming.

Users also report reduction in physical activities and reduction in social activities.

* Top three shortcomings were chosen from multiple options.
Vulnerable groups such as women, housewives and less literate users report high usage and positive impact of OTT services. These groups should be made aware of responsible internet use and safeguards.

Key benefits derived from OTT usage vary by demographics, OTT apps should be designed keeping unique user demographics of India into consideration. A simple user interface and experience is key to achieve optimal usage and benefits.
4. OTT Services: Identifying Barriers and Improvisations Required
Internet connectivity and high battery consumption are major challenges for usage.

Challenges faced while using OTT applications:

- **Do not work or limited utility with weak internet connection**
  - 46% with most apps
  - 37% with few apps
  - 17% with very few apps
  - 1% with no apps

- **Consumes more battery/power**
  - 6% with most apps
  - 68% with few apps
  - 26% with very few apps

- **Occupies a lot of storage space on device**
  - 8% with most apps
  - 19% with few apps
  - 73% with very few apps
  - 1% with no apps
Data consumption has been most reported problem which requires improvisations to make OTT services better.

Users feel reduced data consumption and fewer ads will make OTT services better.
Internet connectivity is a major challenge for OTT usage, followed by OTT app design and device related aspects. Improvement in telecom infrastructure and design of apps & phone hardware will improve usage and experience.

Privacy issues are at the forefront of digital policy debate. Even then, very few respondents desire improvements in privacy features in OTT apps. As such it is prudent to capacitate the consumers on the importance of privacy features and the implications of privacy violation.
5. OTT Services
Grievance Redressal
Low awareness of grievance redress mechanisms for OTT services reported. Only 9% users report registering a grievance.
High usage of OTT apps and low awareness of grievance redressal mechanisms point towards a need for effective grievance redressal frameworks and creating more awareness by civil society organizations, service providers and government. Especially for the less advantaged groups.

User friendly mechanisms for registering of complaints to facilitate easy grievance redress are required.

Key Recommendations: Grievance Redressal
It is essential to build user capacity, especially for new users and vulnerable groups, around use, benefits, privacy, data security and grievance redress related aspects of this relatively new paradigm.

Along with major benefits, users also report more than required smart phone usage and other health and social side effects of excessive OTT app usage. Trilateral efforts driven by civil society, service providers and government are imperative to facilitate user empowerment for an informed user base.

To ensure continued momentum of digital inclusion, adequate connectivity infrastructure, appropriate app design and interface for Indian demographics and smart phone & data plan affordability aspects need to be recognized and addressed.

A light touch regulatory approach that does not stunt access for users and restrict the capabilities of service providers is recommended.

### 6. SUMMARY OF RECOMMENDATIONS
CUTS INTERNATIONAL: DIGITAL ECONOMY RESEARCH

CUTS has covered 5000 respondents across eleven states through three surveys spanning multiple issues related to digital economy.

1. User’s Perspectives on Privacy and Data Protection

- **Objective:** Understand perception and experience of users with respect to privacy; purpose of data collection; trust and confidence in data sharing; use of data collected; strategies for data protection, safety and security; data breach, among others, in relation to data collected by online and offline service providers, and the government.
- **Respondents:** 2400
- **Geographical Coverage:** 6 states (Uttar Pradesh, West Bengal, Punjab, Assam, Andhra Pradesh and Maharashtra)

2. User’s Perspective on Digital Payments

- **Objective:** Understand perception and experience of users and merchants with respect to availability, access, usage, experience, benefits, and challenges, and reforms required to deepen different modes of digital payments.
- **Respondents:** 2020
- **Geographical Coverage:** 5 states (Karnataka, Haryana, Madhya Pradesh, Bihar and Assam)

3. Use Cases & Impact of OTT Services: Case Study of Rajasthan

- **Objective:** Understand perceived benefits and challenges of OTT services on users’ economic and social lives.
- **Respondents:** 600
- **Geographical Coverage:** 5 districts of Rajasthan, viz., Alwar, Kota, Jaipur, Jhunjhunu and Jodhpur.
Thank You!

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