

# Acquired films dominate OTT strategy

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**T**he mass appeal of movies remains unbeatable on video-streaming platforms, which got almost 70% of their views from films acquired after their release in cinemas even as they focussed on commissioning original series for which they hold the intellectual property rights.

Content creators and platform executives said first-time subscriptions are taken when a big film is on offer. That said, originals are required to retain user engagement and sustain binge-watching between such film releases and are likely to emerge as a bigger priority.

“On most Indian OTT platforms, acquired films often dominate in sheer numbers. Originals contribute disproportionately to retaining subscribers and platform loyalty,” said Rajat Agrawal, chief operating officer of Ultra Media & Entertainment Group, which owns OTT site Ultra Jhakaas. “Typically, 60-70% of initial views go to acquired films, but 30-40% of engagement and binge-watching stems from originals. Acquired, big-bud-



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get films with star power have a wide and immediate appeal, driving spikes in viewership when released.”

Originals drive differentiation as well as brand identity, appealing to more niche and dedicated viewers who seek unique content not available elsewhere, Agrawal explained.

Arpit Mankar, head, non-Bollywood category at Shemaroo Entertainment, agreed. Acquired movies attract viewers due to their familiarity and mass appeal and they remain the dominant contributor to viewership while originals offer a unique, platform-exclusive value, helping build a

distinct identity and loyalty among viewers, he added.

“We have been consistently making aggressive investments in acquiring new Gujarati films and it wouldn’t be incorrect to say these investments are key to encouraging the industry to produce more quality Gujarati films for theatrical audiences. We will continue our investments in Gujarati films, while dramatically increasing our investments in original series to grow the market. This is because we believe that originals play a vital role in driving preference for OTT platforms,” he said.

Despite an investment slow-

down and efforts to link acquisition costs of movies to their box office collections, experts said OTT platforms dedicate substantial budgets to acquire the digital rights of big-ticket movies to secure viewership. “The cost of acquiring a recent blockbuster can be in a range of ₹60-100 crore, that too if it is acquired at the pre-production stage. Once the movie is a big hit on the big screen, this amount goes far beyond ₹200 crore,” said Charu Malhotra, co-founder and MD at Primus Partners India, a management consultancy firm.

“To manage cost, platforms are adopting flexible film acquisition deals such as time-bound streaming windows. As these platforms have to balance returns on investment that is generated from these huge investments, there is a slowdown for acquisition of big budget movies,” he added.

Target audiences for films and original content may differ. While overseas audiences may prefer a film not released in their area, domestic audiences may take to originals, said hoichoi’s chief operating officer Soumya Mukherjee.

*For an extended version of the story go to [livemint.com](https://www.livemint.com)*