

Quote by Munish Vaid, Vice-President, Primus Partners

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When the streams leak: Piracy's quiet drain on OTT revenues

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Summary

At a time when ad revenues are soft and subscription growth has slowed, piracy has grown into a parallel ecosystem, eating into legitimate earnings. Even as video streaming platforms invest in local content to expand in India's OTT (over-the-top) market, a quiet and damaging threat is steadily eroding their business—digital piracy.

At a time when ad revenues are soft and subscription growth has slowed, piracy has grown into a parallel ecosystem, eating into legitimate earnings.

Industry experts estimate that OTT content piracy results in losses of ₹8,000–₹11,000 crore annually, indicating that 10–25% of the potential revenue generated by original content creators and funders never reaches the platforms.

In the past, OTT originals such as *Scam 1992- The Harshad Mehta Story*, *The Legend of Hanuman* and *Ek Badnaam Aashram*, among others, have fallen prey to piracy.

“Piracy is honestly the single biggest plague hurting the entire content ecosystem—from production houses to OTT platforms to theatrical businesses,” said Ujjwal Mahajan, co-founder of Chaupal, a platform specializing in Punjabi, Haryanvi and Bhojpuri content. When a piece of content leaks, the entire commercial cycle collapses—subscriptions

drop, advertising value decreases, and the ripple effect extends across the supply chain, Mahajan added. “It is responsible for multi-billion-dollar losses globally, and in India, it also means hundreds of millions of dollars of lost tax revenue for the government. For a regional platform like Chaupal, piracy is one of the toughest daily battles we face.”

India is already a tough market for OTT monetization; subscription conversion and average revenue per user (Arpu) are low and ad markets have been uneven last year. When you add piracy on top of that, it chips away at both revenue streams, according to Munish Vaid, vice-president, Primus Partners, a management consultancy firm, making a bad situation worse.

“The real problem is behavioural. A large segment of viewers is simply used to free content, so piracy becomes a convenient alternative when there’s price sensitivity or multiple subscriptions to manage,” Vaid added.

According to Pankaj Krishna, founder and chief executive officer (CEO) of primary market research and media services provider Chrome Data Analytics and Media, piracy is a systemic risk to India’s OTT ecosystem.

With 900 million plus smartphones and high engagement on WhatsApp and Telegram, content sharing stresses creators, platforms and advertisers. As more content is produced, including regional shows, originals and frequent releases, piracy tends to spike when high-profile films or series are released, often surfacing on unlicensed platforms within hours.

The target audience often tends to be the young, lower-middle-class segment of the audience, lacking the propensity to pay.

Modus operandi

OTT piracy occurs through various channels, including illicit streaming sites and apps, pirated mobile apps, social media and torrent platforms, said Rajat Agrawal, chief operating officer and director of Ultra Media & Entertainment Group.

This content is also shared through Telegram and other messaging apps by strategically exploiting their end-to-end encryption, Agrawal added. Users record and share content, often with logos removed.

Ever since OTT platforms have increased content production and piracy control measures, pirates have started employing AI-driven tools to bypass security measures and create convincing phishing sites.

They also target weaknesses in OTT platforms' systems, such as authentication gaps and API (application programming interface) exploits. Additionally, pirates use social media to promote pirated content and deceive users into accessing malicious links.

“Illegal streaming sites and apps look and feel like regular OTT platforms, host thousands of titles, and attract millions of visitors. For many users, they are a ‘free alternative’ to paid subscriptions,” said Pratap Jain, founder & CEO of OTT platform Chana Jor.

Meanwhile, on Telegram, WhatsApp and social, an episode uploaded by one user can reach lakhs of viewers within hours. Even with strong digital rights management (DRM), someone with access can record content and upload it to a mirror site. These links often survive for hours before takedown teams catchup, Jain added.

Battling menace

To be sure, platforms are increasingly looking at interventions that reflect a comprehensive anti-piracy strategy—one that blends technology, legal enforcement, user-behaviour controls, platform architecture, and real-time surveillance—as the OTT industry works to safeguard both creative value and commercial viability in a rapidly expanding digital ecosystem.

While the broader entertainment industry continues to battle large-scale infringement, OTTs have introduced tools such as affordable pricing models designed to reduce the incentive to pirate, password-sharing limits, and continuous online monitoring for rapid takedowns of illicit streams, said Chandrashekhar Mantha, partner, media and entertainment sector leader, Deloitte India.

On the technology front, platforms deploy advanced encryption and digital rights management (DRM) to ensure content can only be accessed by authorized users.

Dynamic watermarking adds another layer of protection, enabling platforms to trace the source of leaked content down to the specific account or device. Measures such as caps on concurrent screens further reduce unauthorized access and password abuse, experts like Mantha point out.

“India’s video market grew on free TV and affordable cable, not pay-per-view. That legacy means a large audience still expects content at little or no cost —fueling a piracy ecosystem that ranges from full seasons on free sites to live matches restreamed in chats and micro-dramas reposted within hours,” said Berjesh Chawla, managing director and lead - communications, media and technology, Accenture in India.

“This steadily erodes potential OTT revenues. Platforms are countering this with lower-priced packs, mobile-only plans, telco bundles, and stronger technology safeguards. But the real growth unlock is making legal access so simple, affordable, and convenient that viewers never feel the need for a workaround,” Chawla added.