

Prime, JioStar ads to hit smaller OTTs

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NEW DELHI

The advertising ecosystem in India is likely to see some overhaul with Amazon Prime Video set to launch an ad-supported tier and the merged JioStar entity dominating the market and commanding premium rates. Industry experts said while monetisation could be tough with the digital ad market yet to pay dividends and no one player hosting premium content across genres, smaller and regional language OTTs will be at a disadvantage as far as bargaining power goes.

"The entry of major players to AVoD (advertising video-on-demand) space may present significant challenge for small and regional platforms. These players, often constrained by limited resources and audience reach, may find it hard to compete for national ad budgets as advertisers gravitate towards platforms with larger audiences and high brand visibility," Sameer Jain, managing director at management consultancy Primus Partners said.

Competing in content-rich environments will likely drive



Entry of major players to AVoD will hit regional OTTs, say experts.

content acquisition and production cost, putting more financial pressure on the platforms, Jain added. Moreover, smaller platforms that rely on niche audiences and content genres may struggle to attract viewers and secure ad revenue if advertisers prioritize established players with bigger reach, limiting their growth in a space dominated by well-funded competitors.

No certain player will get pushed out suddenly. But with the entry of new players, each

inventory will lose some business as the media mix will get diversified and the budgets will not rise with the entry of new players, said Shlok Hari, director - SW Growth Labs (SW Network), an integrated advertising agency. "What will set certain platforms apart is their offering beyond content, specifically the detailed

With Amazon Prime Video's and merged JioStar's dominance, small regional language OTTs' bargaining power will be hit

targeting they can provide and also the supporting tracking tech that can help understand campaign impact," Hari said.

That said, Prime Video will

face the challenge of no 'big or mainstream' sports offering, given that sport is highly engaging and commands a higher price per slot. On the other hand, even though the JioStar entity has a monopoly when it comes to sports deals, it will face an adverse challenge of premium content, with players like Prime Video and Netflix hosting a more premium set of users and their content commanding certain engagement and respect.

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Prime Video's decision to incorporate ads may heighten competition among streaming platforms and shift advertising dollars from traditional TV to digital, said Tejas Maha, group head - media at digital agency White Rivers Media. "This evolution pushes brands to prioritise targeted advertising opportunities, particularly through connected TV. The hiccup for Prime Video will be balancing monetisation with retention, while Jio Disney navigates the complex landscape of cricket rights and regulations," Maha said.

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