Quote by Vinay V. Singh, Managing Director, Primus Partners

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Warner Bros Discovery restructuring may back India OTT plans—but faces challenges

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Warner Bros Discovery's decision to split its streaming and studio business from its traditional TV networks may give a fresh push to its digital plans in India—but growing in the country's crowded and price-sensitive OTT market won't be easy.

Under the restructuring, Global Networks will house entertainment, sports and news television brands such as CNN and Discovery, along with digital products including the discovery+ streaming platform. The newly formed Streaming & Studios entity will comprise Warner Bros. Motion Picture Group and DC Studios, which will continue releasing their films theatrically in India.

David Zaslav, president and CEO of Warner Bros Discovery, said in a global release, "By operating as two distinct and optimised companies, we are empowering these brands with the sharper focus and strategic flexibility they need to compete most effectively in today's evolving media landscape."

"This separation will invigorate each company by enabling them to leverage their strengths and specific financial profiles. This will also allow each company to pursue important investment opportunities and drive shareholder value," added CFO Gunnar Wiedenfels.

India playbook challenges

The separation could allow Warner Bros Discovery to invest more aggressively in OTT in India, especially in subscription-based models. However, the challenges are plenty.

Currently, the company only runs the discovery+ streaming service in India, while syndicating most of its intellectual property (IP) to Jio Hotstar. Experts believe that the platform, now free from having to serve traditional TV audiences, could lean into bold, edgy content aimed at younger demographics.

"The digital business isn't big in India, and it will have to show revenue now," said Girish Dwibhashyam, streaming industry expert and former vice-president and chief operating officer of DocuBay, a documentary streaming service.

"The split could rejuvenate their investments in OTT but it would also bring down their negotiating power with Internet Service Providers (ISPs) and aggregators for distribution partnerships since it would no longer come under the same umbrella as broadcast," he added.

While Warner Bros Discovery has dabbled in infotainment, science, and mythology in India, Dwibhashyam sees room for more daring content experiments. Given that they no longer have the baggage of producing the same programming for both TV and OTT, the company could explore edgier themes, he said.

Vinay V. Singh, managing director (USA), Primus Partners, added that the company could now double down on high-quality originals and global formats.

“These are key to capturing Indian millennials and Gen Z in a fiercely competitive OTT Landscape," he said.

Singh also said HBO-branded content, currently available via video-on-demand through partnerships like Jio Hotstar, may gain more muscle with renewed global backing.

Despite the digital optimism, linear television remains dominant in India, especially in smaller towns and non-English-speaking markets.

However, if other global media giants follow Warner Bros Discovery’s decoupling strategy, standalone TV units may need to raise ad or subscription rates to remain viable. This could further drive viewers toward cheaper OTT platforms, including those that rely on advertising-based video-on-demand (AVoD).

Industry experts anticipate that the decoupling trend could push streaming companies to innovate their pricing models. Expect bundles that include local originals, micropayments, ad insertions, and dynamic pricing to boost reach while protecting average revenue peruser (ARPU).

Subscription blues

Yet, streaming monetization remains a hurdle in India. According to a report by Ormax Media, India’s video streaming audience stood at 547.3 million, but active paid subscriptions stagnated at 99.6 million. Notably, the SVoD (subscription video-on-demand) audience declined by 2% in 2024, even as the AVoD base grew by 21%.

“Foreign companies haven’t really seen India as a hot market. Plus, there isn’t real value in SVoD yet," said Sunil Lulla, founder, The Linus Adventures.

Warner Bros Discovery has also refrained from fully adopting the ad-supported model in India. Last year, Sai Abishek, head of factual and lifestyle cluster, South Asia, had said the platform would continue to focus primarily on a subscription-driven model.

What’s next

While Warner Bros Discovery declined to comment on *Mint*’s queries for this story, industry watchers say the company’s strategic split could be a reset moment for its India plans.

However, competing in a saturated market—dominated by players like Netflix, Amazon Prime Video, ZEE5, and SonyLIV—will demand more than just capital. It will require smart partnerships, platform innovation, and the courage to bet big on differentiated content.