



Streaming Media

Strategic Insights for Telcos to Seize Opportunities and Competitive Advantage in the OTT Streaming Market

Executive Summary

The streaming media market is experiencing robust expansion, fueled by increasing internet penetration, smartphone adoption, and consumer demand for flexible, high-quality content.

Telcos are uniquely positioned to capitalize on this growth due to their control over connectivity infrastructure, ability to leverage 5G and emerging 6G technologies, and potential to integrate innovative services like edge computing, AI, and IoT.

This report explores key trends, innovations, and opportunities for telcos in the streaming media landscape, providing strategic recommendations for market entry and growth.



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Executive Overview

The global streaming media market is experiencing robust growth, driven by increasing consumer demand for on-demand and live content, advancements in technology, and widespread adoption of high-speed internet and mobile devices.

In 2025, the media streaming market is projected to reach USD 138.45 billion, growing at a compound annual growth rate (CAGR) of 7.86% to USD 202.11 billion by 2030. The video streaming market alone is expected to grow from USD 811.37 billion in 2025 to USD 2,660.88 billion by 2032, with a CAGR of 18.5%.

Telcos are uniquely positioned to capitalize on this growth due to their control over connectivity infrastructure, ability to leverage 5G and emerging 6G technologies, and potential to integrate innovative services like edge computing, AI, and IoT.

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Evolution of OTT Platforms

Over-the-top (OTT) platforms have revolutionized the way we consume media, offering a diverse array of content delivered directly to users via the internet, bypassing traditional broadcast, cable, or satellite systems.

These platforms continue to shape the entertainment landscape, driven by technological advancements, shifting consumer preferences, and innovative business models. Let's explore the key aspects of OTT platforms, including their evolution, current trends, popular players, and their impact on the media ecosystem.

OTT platforms emerged as internet speeds improved and streaming technology matured, allowing users to access video, audio, and other media on demand. Pioneers like Netflix, which transitioned from a DVD rental service to a streaming giant in the late 2000s, set the stage for a seismic shift in entertainment.

By the 2010s, competitors such as Amazon Prime Video, Hulu, and YouTube began expanding the market, offering subscription-based, ad-supported, or transactional models. Today, OTT encompasses not just video-on-demand (VOD) but also live streaming, gaming, music, and even educational content, reflecting a broader digital media revolution.

How OTT Platforms Work

OTT platforms deliver content over the public internet, relying on robust infrastructure like content delivery networks (CDNs) to ensure smooth streaming. Users access these services through smart TVs, smartphones, laptops, gaming consoles, or dedicated devices like Roku or Amazon Fire Stick.

Unlike traditional TV, OTT offers flexibility—viewers can watch what they want, when they want, often with personalized recommendations powered by artificial intelligence (AI) and machine learning.

Current Trends in OTT

1. **Personalized Experiences:** OTT platforms leverage AI to analyze viewing habits, curating tailored content suggestions. This enhances user engagement but also raises questions about data privacy.
2. **Hybrid Monetization Models:** Many platforms now blend subscription video-on-demand (SVOD), ad-supported video-on-demand (AVOD), and transactional video-on-demand (TVOD). For instance, Netflix and Disney+ offer ad-supported tiers alongside premium plans.
3. **Original Content Boom:** Exclusive shows and movies remain a key differentiator. Platforms like Netflix, Amazon, and Disney+ invest heavily in original programming to attract and retain subscribers.
4. **Live Streaming Growth:** From sports (e.g., ESPN+) to concerts and gaming (e.g., Twitch), live OTT content is surging, appealing to audiences seeking real-time experiences.
5. **Global Expansion and Localization:** OTT providers are tailoring content to regional tastes, producing local-language films and series to capture diverse markets, especially in Asia-Pacific and Europe.
6. **Bundling with Telecom:** Partnerships with telecom companies, such as Verizon offering Netflix and Max bundles, are reducing churn and expanding reach.
7. **Subscription Fatigue:** With the proliferation of services, consumers face choice overload, prompting some to cancel subscriptions or opt for free, ad-supported platforms like Tubi or Pluto TV.

Popular OTT Platforms in 2025

- **Netflix:** A leader with over 260 million subscribers globally, known for its vast library and originals like Stranger Things.
- **Amazon Prime Video:** Boasts around 200 million users, offering a mix of movies, series, and add-on channels.
- **Disney+:** With 149 million subscribers, it dominates family-friendly and franchise content (Marvel, Star Wars).
- **Hulu:** Popular in the U.S., blending live TV and on-demand options.

- YouTube: A giant in user-generated and ad-supported content, increasingly competing with premium OTT via YouTube Premium.
- Regional Players: India's Hotstar, China's Tencent Video (115 million subscribers), and Europe's Rakuten TV cater to local audiences with tailored offerings.

Impact on the Media Ecosystem

OTT platforms have disrupted traditional media in profound ways:

- Decline of Linear TV: Cable and satellite subscriptions are waning as viewers cut the cord, favoring OTT's flexibility.
- Content Creation Surge: The demand for fresh content has boosted production, benefiting filmmakers, actors, and writers, though it also strains budgets and risks oversaturation.
- Advertising Evolution: AVOD platforms offer targeted ads, often outperforming traditional TV in engagement due to non-skippable formats.
- Consumer Empowerment: Viewers now control their media diet, though this has sparked debates about censorship and content regulation, especially as OTT viewership soars.

Challenges Facing OTT Platforms

- Content Licensing: Securing rights to popular shows and movies remains complex and costly, with legal disputes delaying releases.
- Competition: The crowded market pits giants against niche players, making subscriber retention tough.
- Piracy and Costs: High subscription fees and exclusive content fragmentation drive some users to illegal streaming, while platforms grapple with rising production expenses.

The Future of OTT

Looking ahead, OTT platforms are poised for further growth. The global OTT video market, valued at over \$316 billion in 2024, is projected to exceed \$443 billion by 2029, fueled by 5G adoption, smart device proliferation, and emerging technologies like virtual reality (VR) and augmented reality (AR).

As platforms experiment with interactive storytelling and AI-driven content creation, the line between traditional media and OTT will blur further, cementing their role as the future of entertainment.

In summary, OTT platforms have transformed media consumption into a dynamic, user-centric experience. Whether you're binge-watching a series, catching a live event, or exploring niche content, these services offer unparalleled choice—though not without trade-offs in cost, privacy, and market saturation. What's your favorite OTT platform, and how do you see it evolving?

Service Bundling

Bundling with telecom refers to the strategic practice where telecommunications companies (telcos) package their core services—such as mobile data, broadband internet, or voice plans—with over-the-top (OTT) streaming services to create a unified, value-added offering for customers.

This approach leverages the complementary strengths of telcos (widespread infrastructure and customer bases) and OTT platforms (popular content and digital engagement) to enhance subscriber retention, boost revenue streams, and stay competitive in a streaming-dominated media landscape. Let's break down how this works, why it matters, and some real-world examples as of March 22, 2025.

How Bundling Works

Telcos integrate OTT subscriptions into their service plans, either as a free perk, a discounted add-on, or a fully embedded feature. Customers access these streaming services through their telecom billing, often with seamless authentication (e.g., using their phone number or account credentials). The process typically involves:

1. Partnership Agreements: Telcos negotiate with OTT providers like Netflix, Disney+, or Spotify to include their services in the bundle.
2. Service Integration: The OTT platform becomes accessible via the telco's app, set-top box, or data plan, often with perks like zero-rated data (streaming that doesn't count against a user's data cap).
3. Pricing Models: Bundles can be tiered—basic plans might include ad-supported OTT tiers, while premium plans offer ad-free access or multiple services.

Why Telcos Bundle with OTT

Telcos face declining revenue from traditional services like voice calls and SMS due to competition from messaging apps and OTT alternatives (e.g., WhatsApp, Zoom). Bundling helps them:

- **Increase Customer Loyalty:** Offering popular streaming services reduces churn, as subscribers are less likely to switch providers if their entertainment is tied to their telecom plan.
- **Differentiate in a Saturated Market:** With telecom services becoming commoditized, bundling adds a unique selling point.
- **Tap into New Revenue:** Telcos earn commissions from OTT partnerships or upsell higher-tier plans, offsetting losses from legacy services.
- **Leverage Infrastructure:** High-speed 5G networks and fiber-optic broadband position telcos as ideal partners for delivering buffer-free streaming, enhancing the OTT experience.

Benefits for OTT Platforms

OTT providers also gain from these partnerships:

- **Wider Reach:** Telcos' extensive customer bases, especially in rural or underserved areas, help OTT platforms penetrate new markets.
- **Reduced Acquisition Costs:** Bundling lowers the need for standalone marketing, as telcos promote the service to existing subscribers.
- **Improved Retention:** Customers tied to a telecom bundle are less likely to cancel, combating subscription fatigue.

Examples of Bundling in Action (2025)

1. **Verizon (U.S.):** Verizon's "myPlan" offers a bundle with Netflix and Max (ad-supported tiers) for \$10/month alongside unlimited data plans, saving customers \$7 compared to separate subscriptions. They also include Disney+, Hulu, and ESPN+ in premium tiers.
2. **Jio (India):** Reliance Jio bundles JioCinema, Disney+ Hotstar, and Amazon Prime Video with its prepaid mobile and JioFiber broadband plans, often at no extra cost, driving massive adoption in a price-sensitive market.
3. **Vodafone (Europe):** Vodafone partners with Amazon Prime and Spotify, offering six months free to new broadband or mobile customers, with zero-rated data for streaming in select regions.

4. AT&T (U.S.): AT&T bundles HBO Max (now part of Max) with its fiber internet and wireless plans, a legacy perk from its WarnerMedia days, enhancing its premium offerings.
5. BT (UK): BT includes Netflix and discovery+ with its TV and broadband packages, integrating them into its set-top box for a seamless experience.

Consumer Impact

For users, bundling simplifies billing and often cuts costs. A family might pay \$60/month for a telecom plan with Netflix and Disney+ included, versus \$80/month for separate telecom and streaming subscriptions.

It also enhances convenience—streamers don’t need to juggle multiple logins or payments. However, there’s a flip side: customers may feel locked into a telco provider or stuck with OTT services they don’t use, especially if unbundling isn’t an option.

Challenges and Risks

- Profit Margins: Telcos often subsidize OTT subscriptions to attract customers, which can squeeze profitability unless offset by higher plan prices.
- Dependency on Partners: If an OTT provider raises fees or exits the partnership, the telco’s bundle loses appeal.
- Consumer Perception: Some users resist bundles, preferring à la carte options, especially amid subscription fatigue.

The Future of Telecom-OTT Bundling

As 5G expands and streaming demand grows, bundling will likely deepen. Telcos might bundle beyond entertainment—think gaming (e.g., Xbox Game Pass), fitness apps, or even telehealth services—creating “super bundles” tailored to lifestyle needs.

AI could personalize these packages further, suggesting OTT add-ons based on usage patterns. Meanwhile, exclusive content deals (e.g., a telco securing a hit series for its bundle) could become a battleground for differentiation.

In essence, bundling with telecom is a win-win strategy reshaping how we access media. Telcos evolve from mere connectivity providers to entertainment hubs, while

OTT platforms ride their networks to new audiences. Have you tried a telecom-OTT bundle, or do you prefer standalone subscriptions?

Tik Tok Society and Micro Dramas

In an era where attention spans are fleeting and mobile screens dominate daily life, the rise of short-form video sharing platforms like TikTok has transformed how content is consumed, giving birth to a vibrant "TikTok Society" that thrives on quick, engaging, and shareable videos.

For telcos this trend presents a unique opportunity to leverage their 5G infrastructure, edge computing capabilities, and partnerships with platforms to deliver seamless, high-quality streaming experiences.

Duanju

This cultural shift has fueled the explosive growth of micro dramas—professionally produced, vertical video series lasting one to ten minutes per episode, designed for mobile-first audiences craving fast-paced narratives with cliffhangers.

Originating in China and gaining global traction through apps like ReelShort and DramaBox, micro dramas have become a cornerstone of the streaming media market, projected to reach USD 14 billion by 2027.

By integrating micro dramas into their service offerings, telcos can meet the demands of a mobile-centric audience, enhance customer engagement, and tap into new revenue streams in a rapidly evolving digital landscape.

[Micro dramas](#) are a form of short-form video content, typically 1-2 minutes in length per episode, that have gained popularity, particularly in Asia, as a form of addictive, mobile-first entertainment.

They often feature fast-paced plots, cliffhangers, and a limited number of characters, making them easy to consume in short bursts. These "[duanju](#)" as they are known in Chinese, are often adapted from Chinese web novels and are designed for vertical viewing on smartphones.

Micro dramas, also known as vertical dramas or weiduanju, are short-form video series designed for vertical viewing on smartphones, typically lasting one to ten minutes per episode. Originating in China, where they generated USD 5.2 billion in revenue in 2023,

micro dramas have become a global phenomenon, with the market projected to reach USD 14 billion by 2027.

In China, platforms like Tencent, iQIYI, and Youku have dedicated micro-drama sections, while apps like ReelShort, DramaBox, and ShortMax are gaining traction in the U.S., with 55 million downloads globally as of February 2024 and USD 146 million in consumer spending in Q1 2024.

These dramas feature fast-paced narratives, cliffhangers, and genres like romance, fantasy, and thriller, appealing to younger audiences with short attention spans. Unlike user-generated content on platforms like TikTok, micro dramas are professionally produced, with low budgets (often a few thousand dollars per episode) and rapid production cycles of two to three months, enabling quick market entry and scalability.

The appeal of micro dramas lies in their compatibility with mobile-first consumption and social media ecosystems. Platforms like Douyin and Kuaishou in China, and Instagram and YouTube globally, facilitate easy sharing and engagement, with interactive features like comments and live Q&As enhancing viewer connection.

Monetization models are flexible, including subscriptions (often priced higher than mainstream platforms, at USD 19.99 per week or USD 199.99 per year), pay-per-episode fees, and in-app coin systems where viewers earn credits through daily check-ins or social media engagement.

Advertising

Advertising is also a key revenue driver, with brands like McDonald's creating micro dramas for product placement. The format's success is evident in its massive user base, with apps like Red Fruit in China reaching 120 million monthly active users in 2024, outpacing traditional streaming giants in engagement.

However, micro dramas face challenges, including regulatory scrutiny in China, where over 25,000 titles were removed in 2024 for violating content standards, and concerns about low-quality productions flooding the market. In regions like the U.S., inconsistent network infrastructure, such as limited cell reception in subways, can hinder accessibility.

Despite these hurdles, the format's low production costs and high engagement make it a compelling addition to the streaming media landscape, complementing longer-form content by offering quick, accessible entertainment for audiences unwilling to commit to extended series.