Adoption Factors Influencing OTT Subscription Decisions of Gen Z Consumers in India

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Abstract

Over-the-Top (OTT) platforms' explosive growth in India has drastically changed how people consume information, particularly for members of Generation Z (Gen Z), who were born between 1997 and 2012. The highly dynamic, tech-savvy, and content-conscious habits of Gen Z customers are characterized by their digital nativity. In contrast to earlier generations, mobile accessibility, on-demand viewing, and personalized content experiences play a significant role in influencing their entertainment preferences. The purpose of this study is to methodically look at the factors that affect this Indian demographic's decisions to subscribe to OTT services. The study investigates a number of factors that might influence subscription behaviour, such as the perceived variety and quality of the content, peer pressure, the user interface's usability and aesthetics, the flexibility of the subscription model (e.g., pricing, plans, bundling), personal entertainment preferences, and the part social media exposure plays in finding and choosing content. It tries to find out the factors that are statistically significant indicators of Gen Z's propensity to sign up for OTT services. It is anticipated that the results will give marketers, platform designers, and content producers important information for creating strategies that appeal to this very significant customer group.

Keywords*: OTT, Gen Z, Subscription decisions, Content Quality, Personalization, Social Media Influence, Subscription Model, User Friendly Interface*

INTRODUCTION

Over-the-Top (OTT) platforms like Netflix, Amazon Prime Video, Disney+ Hotstar, and regional services like ZEE5 and SonyLIV have emerged and rapidly expanded, causing a paradigm shift in the Indian digital entertainment industry in recent years. These platforms, which provide mobile-first, tailored, and on-demand entertainment experiences, have upended established broadcasting structures. Out of all the demographic groups, Generation Z—those born between 1997 and 2012— has become the main driver of digital consumption in India. Gen Z users approach information consumption differently than earlier generations, as evidenced by their tech-savvy, short attention spans, and penchant for quick satisfaction (Yadav & Jain, 2024).

Digital marketers, platform designers, and content creators must comprehend the elements influencing Gen Z's OTT subscription choices. Even though content is widely available, subscriptions are not guaranteed by its mere availability. Complex elements like pricing flexibility, peer recommendations, social media involvement, and user experience influence Gen Z's decision-making. Platforms hoping to remain competitive and attract young digital users must identify and prioritize these characteristics, as the Indian OTT market is expected to reach USD 7 billion by 2027 (KPMG, 2023).

The purpose of this study is to empirically examine how several adoption factors—such as social media, peer influence, content quality, user interface, personal preferences, and subscription models—affect Gen Z subscribers' OTT subscription behavior in India. The results provide useful information for OTT providers aiming to reach the Indian youth market and advance our understanding of consumer psychology in digital streaming.

LITERATURE REVIEW
Content Variety and Quality
The core service provided by OTT platforms is still content, which is frequently regarded as a crucial consideration when choosing a subscription. According to Rajashekar, Naidu, and Sharma (2025), the availability of a variety of genres, regional language content, high production value, and original programming has historically drawn viewers and promoted platform loyalty. However, Gen Z users are apparently experiencing content fatigue as a result of the proliferation of digital information across platforms. According to Dasgupta (2023), younger consumers no longer subscribe solely for the quality of the content because they don't think there is much of a difference in the offerings across platforms. Rather, they look for stories that represent their identity and beliefs that are unique, specialized, or culturally relevant.

Personalization and User-Centric Recommendations
It is well known that Gen Z values highly customized digital experiences. Platforms are supposed to be aware of and responsive to their preferences for content. Poor content alignment and irrelevant recommendations have been found to have a negative influence on platform utility perception and reduce the chance of ongoing subscriptions (Choudhury & Ray, 2022). It has become standard practice to incorporate AI for language-specific interfaces, regional preferences, curated playlists, and personalized recommendations. Customized user experiences increase trust and engagement, establishing personalization as a subscription-driven feature as well as a feature.

Peer Influence and Social Viewing Culture
Gen Z's OTT consumption is significantly influenced by social behavior. Bhatia (2023) highlighted how peer groups have a significant impact on how people choose to consume media. When it comes to encouraging people to subscribe or try a new platform, peer recommendations, group viewing sessions, and social conventions frequently work better than ads. The fear of missing out (FOMO) in particular encourages social conformity, which leads Gen Z consumers to match their media preferences with those of their buddy groups. This group is more likely to be drawn to and stay on OTT platforms that facilitate peer interaction, watch parties, and content sharing.

Social Media Influence and Authenticity Challenges
For OTT content, social media acts as a platform for both discovery and promotion. In order to create hype, host influencer reviews, and preview upcoming shows, platforms like Instagram, YouTube, and Twitter are frequently utilized. However, Gen Z audiences are becoming less receptive to overt influencer marketing and sponsored endorsements, according to Jha, Verma, and Srivastava (2024). They are drawn to genuine user-generated content and micro-influencers that post frank and relatable feedback. This implies that although social media raises awareness, unless authenticity and trust are upheld, it might not directly lead to subscriptions.

Subscription Model Attractiveness and Affordability
Another important consideration for Gen Z, many of whom are students or young professionals with little extra cash, is flexible pricing. Entry barriers have been successfully decreased via freemium models, student discounts, shared accounts, and monthly pay-as-you-go plans (Kumar & Mehta, 2022). According to research, Gen Z buyers favor solutions that provide value for the money spent and reduce long-term commitment. Users have also become more picky as a result of subscription fatigue across platforms (Netflix, Prime, Disney+, etc.), frequently switching between services based on content and deals.

User Interface (UI) and Experience Design
Users are drawn in by pricing and content, but long-term retention is guaranteed by the interface and experience. Gen Z users expect personalized dashboards, quick loading times, easy navigation, and few ad interruptions. Even in cases where the content is good, Taneja and Kapoor (2024) discovered that subpar UI/UX is a major cause of subscriber churn. Platform trust can be damaged by annoyances like latency, complicated menus, or an excessive amount of advertisements. Platforms

that make investments in user-centric innovation and seamless design have a better chance of retaining Gen Z viewers over time.

Research Gaps

Very less number of studies focussing on Gen Z consumers in India, despite the increased interest in OTT platforms from academia and industry:

Restricted Studies Particular to Generation Z in India

The majority of current research either concentrates on larger age groups or combines Gen Z and millennials into one group (Yadav & Jain, 2024). In contrast to earlier generations, Gen Z displays unique digital behavior, decision-making styles, and content preferences. Empirical studies that specifically focus on Gen Z's OTT adoption behavior in the Indian context are scarce.

Overemphasis on Content, Neglecting Experiential Factors

Although OTT subscriptions have historically been thought to be primarily driven by content quality, new research indicates that experiential elements including peer influence, UI/UX design, and subscription model flexibility are becoming more and more significant (Dasgupta, 2023; Taneja & Kapoor, 2024). There aren't many studies that assess these non-content factors' overall impact on Gen Z decision-making.

Inconsistent Findings on Social Media Influence

There are conflicting results about how influencer marketing and social media affect subscription choices. According to some research, it is important (Jha et al., 2024), but according to other studies, Gen Z is growing more averse to promotional content (Bhatia, 2023). This discrepancy emphasizes the necessity of current, situation-specific research in a digital ecosystem that is changing quickly.

Insufficient Integration of Behavioral Constructs

Theoretical models that incorporate psychological concepts like peer conformity, platform perceived usefulness, or trust in digital contexts are scarce. Despite being essential to Gen Z's digital decisions, these behavioral aspects are frequently absent from empirical frameworks used in OTT research (Choudhury & Ray, 2022).

Regional and Socioeconomic Diversity Understudied

The Gen Z population in India is diverse, representing a range of languages, cultures, and socioeconomic backgrounds. However, the majority of studies use a sample base that is English-speaking or focused on cities. The effects of mobile access, cost, and regional content availability on OTT subscriptions among Tier-2 and Tier-3 Gen Z customers are not well understood (Rajashekar et al., 2025).

Research Objectives

This study's primary objective is to look at the main factors that affect Gen Z customers in India's decisions to subscribe to OTT (Over-the-Top) platforms. The study aims to achieve the following objectives in light of the literature and new developments in digital consumption:

1.To determine and assess the effects of important factors like content quality and variety, peer influence and recommendations, perceived personal relevance of content, social media marketing and influencer outreach, flexibility in the subscription model (pricing, trial options, bundling), and features related to user interface and user experience (UI/UX).

2. To gauge each factor's proportional impact on Gen Z customers' OTT subscription habits.

3. To ascertain the statistical importance of social media and peer influence in influencing subscription   choices.

4. To investigate how much platform loyalty and recurring use are influenced by structural (price model) and experience (interface) aspects.

5. To offer OTT platforms aiming to reach Gen Z audiences in India useful insights and tactical suggestions

Hypotheses

H1: Content quality and variety have a significant influence on Gen Z's OTT subscription decisions.

H2: Perceived personal relevance of OTT content negatively influences subscription decisions if the content does not align with user preferences.

H3: Peer recommendations significantly affect OTT subscription decisions among Gen Z consumers.

H4: Social media promotions and influencer marketing have an insignificant effect on Gen Z's OTT subscription decisions.

H5: Flexible and affordable subscription models positively influence OTT subscription

H6: A user-friendly and interactive interface significantly enhances the likelihood of subscription among Gen Z users.

Research Methodology

Research Design

This study uses a cross-sectional survey approach and a quantitative research to find out the relationship between the dependent variable -subscription decision and a number of independent variables, including peer influence, social media influence, content quality, personal relevance, subscription model, and user interface.

Population and Sample

The target population for this study comprises Gen Z consumers (born between 1997–2012) in India who are either current users or potential users of OTT platforms.

Sampling Technique: A non-probability purposive sampling method was used to ensure that only Gen Z participants with OTT exposure were included.

Sample Size: 158 valid responses were collected and analyzed.

Respondent Profile: The respondents were mostly students and working professionals aged between 18 and 26, representing diverse regions of India.

Data Collection

Primary data was collected using a structured questionnaire that was shared online via Google Forms. The questionnaire comprised close-ended items measured using a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree).

Variables and Measurement

The following constructs were included:

Variable	Description	Label
Content Quality & Variety	Availability of diverse and engaging content	QV
Personal Relevance	Perceived alignment with user interests	QPERSON
Peer Influence	Impact of friends/family recommendations	QPEER
Social Media Influence	Influence of OTT ads/influencers on social platforms	QSMI
Subscription Model	Flexibility, affordability, and ease of plans	QSUBS MODEL
User Interface	Ease of use, layout, and platform usability	Q USER INTERFACE
Subscription Decision	Willingness to subscribe or continue using OTT	DV-CSD

Data Analysis Tools

Correlation Analysis was performed to examine relationships between independent variables and subscription decisions. Multiple Linear Regression was conducted to assess the predictive power of each factor on the dependent variable (DV-CSD). Data analysis was done using Microsoft Excel

Reliability and Validity

The internal consistency of the scale was tested using Cronbach's Alpha, with values above 0.70 indicating acceptable reliability.Content validity was ensured through expert review and pilot testing of the instrument with 15 respondents before collecting the data from the respondents.Bottom of Form

Data Analysis

Demographic analysis

Category	Sub-category	Frequency	Percentage (%)
Gender	Male	63	40.00%
	Female	95	60.00%
Location	Delhi / New Delhi	63	40.00%
	Ghaziabad (incl. NCR)	42	26.67%
	Noida	18	11.67%
	Prayagraj	11	6.67%
	Others (Agra, Jaipur, Gurgaon, Hyderabad, etc.)	24	15.00%
Occupation	Student	116	73.33%
	Working Professional	42	26.67%
Age Group (Years)	15–20	66	41.67%
	21–25	63	40.00%
	26–30	29	18.33%

Correlation Analysis

	QV	QPERSON	QPEER	QSMI	QSUBS MODEL	Q USER INTERF	DV-CSD
QV	1						
QPERSON	0.08798	1.00000					
QPEER	-0.07825	0.24769	1.00000				
QSMI	-0.23420	0.15000	0.77251	1.00000			
QSUBS MO	0.01353	0.43578	0.52894	0.39463	1.00000		
Q USER IN	0.33632	0.02057	0.16300	-0.04076	0.31294	1.00000	
DV-CSD	0.11578	-0.15379	0.17026	-0.02982	0.19896	0.28179	1.00000

Variable Definitions

QV: Variety of Video Content

QPERSON: Personalization of content

QPEER: Peer Influence

QSMI: Social Media Influence

QSUBS MODEL: Subscription Model

Q USER INTERFACE: Ease of User Interface

DV-CSD: Dependent Variable: Consumer Subscription Decision

Key Correlations with DV-CSD

Predictor	Correlation with DV-CSD	Strength & Direction	Interpretation
QV	0.116	Weak Positive	Slight tendency: More variety of content may support subscription, but not strongly.
QPERSON	-0.154	Weak Negative	Personalization needs are not met, possibly leading to subscription rejection.

QPEER	0.170	Weak Positive	Peers have minor but noticeable impact on Gen Z's subscription decision.
QSMI	-0.030	Negligible Negative	Social media influence has minimal effect; possibly overexposed or distrusted.
QSUBS MODEL	0.199	Moderate Positive	Subscription plans do influence decisions positively.
Q USER INTERFACE	0.282	Strongest Positive	Good UI is a meaningful factor in shaping subscription choices.

Inter-correlations among Independent Variables

Variable Pair	Correlation	Interpretation
QPEER – QSMI	0.773	High correlation; potential multicollinearity between peer and social media influence.
QSUBS MODEL – QPEER	0.529	Moderate; peer influence might affect perception of subscription plans.
QSUBS MODEL – QPERSON	0.436	Gen Z preferences align with expected subscription features.
Q USER INTERFACE – QV	0.336	Better platforms often deliver better variety of content.
Q USER INTERFACE – QSUBS MODEL	0.313	UI design aligns with good subscription models.
QSMI – QSUBS MODEL	0.395	Social media campaigns may boost model attractiveness.

The Pearson correlation matrix revealed several notable relationships:

User Interface (Q USER INTERFACE) showed a moderate positive correlation with the subscription decision (DV-CSD) (r = 0.28), suggesting that Gen Z users value a seamless and appealing platform experience.

Subscription Model (QSUBS MODEL) also had a positive correlation with DV-CSD (r = 0.20), highlighting the importance of affordable and flexible pricing options.

Peer Influence (QPEER) showed a positive but weaker correlation with DV-CSD (r = 0.17), indicating that peer recommendations do affect decisions, but moderately.

Content Variety (QV) had a low positive correlation with DV-CSD (r = 0.12), implying content quality alone does not drive subscription among Gen Z.

Social Media Influence (QSMI) and Personal Relevance (QPERSON) showed negligible to weak and even negative correlations with DV-CSD (r = -0.03 and r = -0.15 respectively), suggesting that promotional content or misaligned recommendations may deter subscriptions.

Regression Analysis

Multiple Regression

The multiple regression analysis was conducted using DV-CSD as the dependent variable and six independent variables (QV, QPERSON, QPEER, QSMI, QSUBS MODEL, Q USER INTERFACE).

SUMMARY OUTPUT

Regression Statistics

Multiple R	0.455281
R Square	0.20728
Adjusted R	0.175782
Standard E	1.091272
Observati	158

ANOVA

	df	SS	MS	F	gnificance F
Regressio	6	47.01985	7.836642	6.580583	3.4E-06
Residual	151	179.8219	1.190874		
Total	157	226.8418			

	Coefficients	andard Err	t Stat	P-value	Lower 95%	Upper 95%	ower 95.0%	pper 95.0%
Intercept	3.069962	0.905813	3.389177	0.000894	1.280257	4.859667	1.280257	4.859667
QV	0.09083	0.164794	0.551172	0.58233	-0.23477	0.41643	-0.23477	0.41643
QPERSON	-0.55704	0.152612	-3.65004	0.000361	-0.85857	-0.25551	-0.85857	-0.25551
QPEER	0.539397	0.180549	2.987538	0.003283	0.182669	0.896126	0.182669	0.896126
QSMI	-0.38935	0.134061	-2.9043	0.004234	-0.65423	-0.12448	-0.65423	-0.12448
QSUBS MC	0.346991	0.147057	2.359563	0.019576	0.056435	0.637546	0.056435	0.637546
Q USER IN	0.218011	0.147071	1.482349	0.140331	-0.07257	0.508594	-0.07257	0.508594

Model Summary & Fit

Metric	Value (Interpretation)
Multiple R	0.455 (Moderate correlation)
R Square	0.207 (20.7% variance explained)
Adjusted R^2	0.176 (Modest explanatory power)
Standard Error	1.091

ANOVA Table (Model Significance)

Source	Df	SS	MS	F	Significance F
Regression	6	47.02	7.837	6.58	3.4×10^{-6}
Residual	151	179.82	1.191		
Total	157	226.84			

Coefficients Interpretation

Variable	Coefficient	p-value (Significance)	Interpretation
Intercept	3.07	0.0009 (Significant)	Baseline DV-CSD
QV	0.091	0.582 (Not Significant)	No significant effect
QPERSON	-0.557	0.0004 (Significant)	Negative influence: content-person mismatch
QPEER	0.539	0.0033 (Significant)	Positive peer influence
QSMI	-0.389	0.0042 (Significant)	Negative social media effect
QSUBS MODEL	0.347	0.0196 (Significant)	Positive pricing model impact
Q USER INTERFACE	0.218	0.140 (Not Significant)	Positive but not significant

Model Summary
R Square = 0.207
Adjusted R Square = 0.176
F-value = 6.58
Significance F = 0.0000034
The model explains approximately 20.7% of the variance in Gen Z's OTT subscription decisions, which is a moderate explanatory power for behavioural research.
Significant Predictors
QPERSON (Personalization-Personal relevance):
Coefficient = -0.557, p = 0.000
Indicates a significant negative effect. Misalignment between personal interests and platform content discourages subscription.
QPEER (Peer Influence):
Coefficient = +0.539, p = 0.003
 Positively significant, confirming that peer recommendations influence decisions strongly.
QSMI (Social Media Influence):
Coefficient = -0.389, p = 0.004
 Negatively significant, indicating that excessive or untrustworthy social media promotion can reduce subscription interest.
QSUBS MODEL (Subscription Model):
Coefficient = +0.347, p = 0.019
 Positively significant, showing that flexibility and pricing directly influence adoption.
Non-Significant Predictors
QV (Content Variety):
Coefficient = +0.091, p = 0.582
 Not statistically significant; content is expected but not a differentiator.
Q USER INTERFACE:
Coefficient = +0.218, p = 0.140
 While positively related, it is not statistically significant at the 5% level.
Key Insights
Significant Predictors: QPERSON (-), QPEER (+), QSMI (-), QSUBS MODEL (+).
Insignificant Predictors: QV, Q USER INTERFACE.
Findings
Based on correlation and multiple regression analysis of responses from 158 Gen Z participants, the study identified several significant insights:
 Peer Influence Matters-Peer recommendations significantly impact OTT subscription decisions (β = 0.539, $p < 0.01$), showing Gen Z relies on word-of-mouth and peer validation more than promotional campaigns.
Personalization or Personal Relevance Can Backfire-Personal content misalignment has a significant negative influence (β = -0.557, $p < 0.001$) on subscription behavior. If OTT platforms fail to align with individual preferences, users are less likely to subscribe.
Social Media Influence Is Ineffective or Negative-Contrary to common belief, social media promotions (including influencer marketing) showed a negative and significant relationship with subscription decisions (β = -0.389, $p < 0.01$), suggesting oversaturation or lack of trust.
Flexible Subscription Models Are Key-Flexible and well-priced subscription model positively influences Gen Z's decision to subscribe (β = 0.347, $p < 0.05$). Customizable plans or student discounts could improve adoption rates.

Content Quality Is Not a Strong Driver-Although assumed critical, content variety and quality (QV) were not statistically significant (p = 0.582), implying Gen Z expects good content as a given, but it's not a differentiator.

User Interface Is a Secondary Factor-The user interface and experience had a positive but statistically non-significant impact on subscription decisions (p = 0.140), indicating it's important, but not a standalone driver.

CONCLUSION

This study investigated the main determinants of OTT subscription choices among Indian Gen Z customers. 158 respondents' survey data was subjected to correlation and multiple regression analysis, which revealed that Gen Z's subscription behavior is highly influenced by peer influence, subscription model flexibility, and personal relevance. Interestingly, the best positive predictor was peer influence, highlighting the significance of social networks in online decision-making. Poor personal content alignment and social media influence, on the other hand, had a detrimental impact, indicating that subscriptions are discouraged by promotional saturation and content misalignment.

The conventional wisdom regarding content diversity and user interface as key decision-makers were discovered to be non-significant predictors, indicating a change in Gen Z's assessment criteria. In contrast to mass-market promotions or generic goods, Gen Z customers are more choosy, experience-driven, and socially influenced, and they seek value and alignment with their tastes, according to the findings.

Recommendations

Based on the findings, the following recommendations are proposed for OTT platforms and marketers:

Build Peer Communities and Networks

Include elements that encourage peer interaction and sharing, such as watch parties, friend-based recommendations, and referral bonuses.Promote natural word-of-mouth rather than overt influencer marketing.

Deeper Personalization Is Needed

Invest in AI-powered recommendation engines that accurately capture user preferences, actions, and cultural nuances. Steer clear of generic targeting that can drive consumers away.Rethink your social media strategy and move away from generic promotions and toward Gen Z-friendly interactive formats, user-generated content, and real storytelling. By more precisely segmenting campaigns, you may reduce overexposure and ad fatigue.

Make Subscription Models More Adaptive

To appeal to Gen Z's cost-conscious tastes, use student-centric pricing, flexible payment cycles, or micro-subscription programs. Allow bundling or modification of content access based on interest. More emphasis to UI/UX

Enhance UI/UX design to attract Gen Z people who are tech-savvy.Although subscriptions may not be directly influenced by user interface, poor UX can still negatively impact retention. Make sure platforms continue to be user-friendly, quick, and visually appealing.

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