

# Examining the brief history of the indian cinema media essay



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In 1896 Lumiere brothers cinematographe displayed their short films (rather clips) in Bombay's Watson hotel. It took another 17 years for India's first feature film to be produced in the country: Dada Saheb Palke's Raja Harish Chandra. It took another 15 odd years for India to produce its first talkies.

### **Talkies:**

Alam Ara (1931) was the first talkie feature film in India. Its dialogues in popular Hindustani (Hindi) and its music made it a smash hit. This success introduced songs in hindi cinema with movies like ' indrasabha' which had around 71 songs. Film songs became a phenomenon which is synonymous with Indian cinema.

Movies were soon made various regional languages like Bengali, telugu and tamil. The trend spread to other parts of the country and movies were produced in languages like Gujarati, oriya, Malayalam etc.

### **Golden Era**

Post-independence saw the blooming of the film allover India. 50's was the decade which is generally characterized as the golden decade of Indian cinema and Hindi cinema. Directors like Guru Dutt, Raj Kapoor, Bimal Roy were making artistic cinema as well as commercial successes. This was time of optimism as India had just gained independence and the subject matter of the movies was generally social issues and issues of national integration.

Pan-India cinema was thriving as directors like Satyajit ray, Ritwik Ghatak were making splash on international film circuit. The mood was reverse in the 70's as Hindu rate of growth and unemployment had created critical mass of disenchanted youth which lapped up the ' angry young man' portrayal by

Amitabh Bachhan in movies like ' Deewar', ' Zanzeer', ' Sholay'. There was also a parallel movement in hindi movie industry with directors like Shyam Benegal, Govind Nihlani at the fore front. 1980's can be called by far the worst decade for Hindi cinema and catalyst for the decline was the invention of VHS. This led to low attendance in cinema halls and ' formulaic' films were being made in the wrong belief that it will lead to assured returns (hello! There are no assured returns in a creative Endeavour).

### **Current scenario**

Although there was some improvement in the 90's but the pace was too slow. This again continued in the new millennium. With the advent and proliferation of multiplexes', it has become easier to reach target audience (urban middle and upper middle class audience), also the financial restriction on cinema hall owners to show movies which will fill seats in huge single screen hall were removed which made these movies commercially viable. The movies catering to an urbane aesthetic sense generally has much more contemporary themes and is less restricted in their subject matter. But this change has not really improved quality of Indian cinema drastically both aesthetically and technically. Lack of professionalism which can stem from various factors like lack of organized funding, lack of talented people (how many film schools are there in India) is plaguing the industry. Also the star system which makes the whole creative aspect of this aspect on the back burner is also responsible for good cinema not coming out.

### **International Film Festival of India**

IFFI (Indian international film festival) is the oldest film festival in India,

started in 1952. It show cases wide panorama of Indian cinema as well as <https://assignbuster.com/examining-the-brief-history-of-the-indian-cinema-media-essay/>

world cinema, with a perspective on a world known master director. It is held every year in Goa.

## **The Industry**

Indians love their movies and the Indian Film Industry is one of the largest in the world with 1000 movies released and 3 billion moviegoers annually. It is the only industry in M&E which has a cross sector impact. Thus, it indirectly or directly facilitates the growth of sectors like Music, Radio and Television.

The advent of new technologies had helped the industry immensely with respects to film production, exhibition and marketing. The corporatization of the industry has made the previously disorganized sector more streamlined. Companies like BIG Cinemas, Mukta Arts, and The Indian Film Company have come out with public issues. FDI in all film-related activities has been permitted up to 100% by the government. This has resulted in the influx of big players like Warner Bros, Sony Pictures and 20th Century Fox into the Indian markets. Thus, the future of Indian Film Industry is secure in the midst of increasing production costs and financial instability.

The theatres across the country are being upgraded to multiplexes and the setup of more digital cinema halls has already started. This will reduce piracy and make the film viewing experience more pleasurable. Low budget movies have found a market in the multiplexes which was earlier not possible in single screens. With high ticket costs in multiplexes a movie can recover most of its costs in the first week itself. More movies are being made to cater to the NRI audience as it brings in the dollar revenue. More emphasis is on

the content of the film as the exhibition time has reduced thus improving the quality of cinema.

## **Size and Growth Rate**

In 2009 the estimated revenue was 109. 2 billion. The industry is projected to grow at the CAGR of 9. 1 percent over the next 4 years, and reach the size of INR 168. 6 billion by 2013.[1]

### **2**

Domestic box office collections are likely to continue to remain the dominant revenue source for the industry. However, other revenue streams may continue to grow at a faster rate.

### **3**

Increase in number of multiplexes is expected to lead to improved realizations owing to better occupancy rates and higher Average Ticket Prices (ATPs) at these multiplexes.

## **Filmed Entertainment Sector: Growth Drivers**

Expansion of multiplex screens resulting in better realizations

Increase in number of digital screens facilitating in wider Film prints releases

Enhanced penetration of home video segment, primarily in the sell through segment

Increase in number of TV channels fuelling demand for Film content, and hence resulting in higher C&S acquisition costs

Improving collections from the overseas markets.[4]

## **Key Players**

The recent development in Indian film entertainment space is the emergence of media houses which has presence in almost all verticals of film business, be it production, distribution, DVD sales etc. across various markets(not just Bollywood).

UMP (UTV Motion Pictures) – part of UTV Media

Yash Raj Films

Eros Entertainment – part of Eros International

Reliance Big Entertainment Ltd. (RBEL)

Moser Baer Entertainment.

## **Distribution**

### **Traditional Distribution**

Generally producers pay for the price of distributing the film in any of the 10 major territories (major ones being, Delhi-UP and Mumbai). The territories have been divided by the trade considering the sociological and other preferences. To get the film ratio, the cost of the film is divided by the distributor by the distribution price at the Mumbai centre. Some of the film production companies have their own distribution arm.

## **Digital Distribution**

Digital cinema, or as some call it, e-cinema, is the latest concept in cinema distribution and exhibition. Hughes India — the local subsidiary of the U. S.-based Hughes Network Systems, that claims to be the world's leading provider of broadband satellite services — defines digital cinema as the combination of three phases: digital production or post-production, digital delivery and digital projection combined into a system or chain that offers a higher or enhanced movie-viewing experience to audiences.

A film can be projected through a digital video projection system by taking an already produced movie created either digitally or using celluloid and converting it to digital video format. This video once transmitted to the theater either using physical means or satellite distribution, is stored on a computer hard drive installed at a theater for repeated play-out during various shows.[5]

At present, making prints accounts for about 15-25 per cent of a film's total production cost, with prices of each print ranging between Rs 80, 000 to Rs 1 lakh, depending on the quality. A set of DVDs, in contrast, would only cost as much as Rs 8, 000-9, 000 per print. And LDs would cost around Rs 15, 000-20, 000 per disc. Moreover, there would be no time-lag for prints to reach the theatres, through A-class cities (metros) to B and C class centers. Normally, film spools take at least 5-8 weeks to reach these urban and semi-urban cities. The films could be released in all places simultaneously enabling recovery of investment in a much shorter time-frame.[6]

## **Environmental Scanning**

### **Low media penetration in lower socio-economic classes (SEC)**

Media penetration is low in lower socio-economic class though aggregate penetration in these categories is much higher.

## **LEGAL ENVIRONMENT[7]**

India is one of the largest producers of motion pictures in the world.

Encompassing three major spheres of activity - production, distribution and exhibition, the industry has an all-India spread, employing thousands of people and entertaining millions each year. The various laws in force regulating the making and screening of films are: -

1) The Cinematograph Act, 1952 - The Cinematograph Act of 1952 has been passed to make provisions for a certification of cinematographed films for exhibitions by means of Cinematograph. Under this Act, a Board of Film Censors (now renamed Central Board of Film Certification) with advisory panels at regional centres is empowered to examine every film and sanction it whether for unrestricted exhibition or for exhibition restricted to adults. The Board is also empowered to refuse to sanction a film for public exhibition.

In *K. A. Abbas v. Union of India*, the petitioner for the first time challenged the validity of censorship as violative of his fundamental right of speech and expression. The Supreme Court however observed that, pre-censorship of films under the Cinematograph Act was justified under Article 19(2) on the ground that films have to be treated separately from other forms of art and



expression because a motion picture was able to stir up emotion more deeply and thus, classification of films between two categories ' A' (for adults only) and ' U' (for all) was brought about.

Furthermore, in Bobby Art International v. Om Pal Singh Hoon, the Supreme Court re-affirmed the afore-mentioned view and upheld the order of the Appellate Tribunal (under the Cinematograph Act) which had followed the Guidelines under the Cinematograph Act and granted an ' A' certificate to a film.

2) The Copyright Act, 1957 - According to this Act, ' copyright' means the exclusive right to commercially exploit the original literary, dramatic, artistic, musical work, sound recordings or cinematographic films as per the wishes of the owner of copyright subject to the restrictions imposed in the Act.

Although this Act, is applicable to all the branches of media, in some areas it is specific to this particular genre. In the case of a Cinematographed film, to do or to authorise the doing of any of the following acts would lead to the infringement of copyright. Those acts are namely: -

- To make a copy of the film
- To cause the film, in so far, as it consists of visual images, to be seen in public and in so far as it consists of sounds to be heard in public
- To make any record embodying the recording in any part of the soundtrack associated with the film by utilising such sound track
- To communicate the film by radio-diffusion

The Act also makes it a cognisable offence for anyone to sell, hire, distribute, exhibit, possess or view any unauthorised recordings and prescribes severe penalties, including imprisonment, fines as well as confiscation of the equipment used for the purpose of such recording and exhibition. The Amendments to The Copyright Act also prohibit unauthorised transmission of films on the cable television.

3) Cine Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981 - This legislation affords a measure of protection to those employed in the industry by imposing certain obligations on motion picture producers and theatre owners concerning the former's condition of service.

4) Cine Workers Welfare Cess Act, 1981 and the Cine Workers Welfare Fund Act 1981 - They seek to create means of financial support to cine employees, the seasonal and unpredictable nature of whose employment often leaves them impoverished and helpless. Besides these, there are also a few local legislations, which affect the film medium. Here are some examples:

5) The Bombay Police Act, 1951 - It contains provisions empowering the police to regulate the exhibition of films in the state of Maharashtra (formerly Bombay).

6) Bombay Cinemas (Regulation) Act, 1953 - It provides a scheme for state licensing of cinema theatres and other places where motion pictures are exhibited

7) The Bombay Entertainments Duty Act, 1923 – It imposes a tax on the public exhibition of motion pictures and other forms of entertainment.

## **New Trends in the industry**

### **Actor based production House**

New age production houses are mostly owned and marketed by actors.

Various film companies i. e. Red Chillies ent. by Shahrukh Khan; Aamir Khan productions; Illuminati productions by Saif Ali Khan

Indian hindi film industry has always been dependent on the star value. This new age production houses are based on the same concept where along with personal selling the actors market their films and also direct and produce films that interest them.

### **Festival Circuit**

Many production houses are establishing sister companies to work on experimental cinema which is not commercially viable.

UTV movies has established UTV Spot Boy for the same purpose. This trend is very healthy for the movie industry as it helps promote all forms of movie making.

### **The ‘ Bollywood’ Brand**

In recent times, western film makers have started noticing Indian cinema and are making movies with India centric theme and artists. The success and popularity of “ Slumdog Millionaire”, with its Indian locales, artists and music underscores the growing influence of Indian Cinema and augurs well for Bollywood movie makers targeting the global audiences.

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Clearly, Bollywood is a much bigger brand today than few years back.

The development of this brand and the awareness about Bollywood has been catalyzed by many factors in recent times:

Indian producers aggressively promoting their films in international film festivals such as Cannes

Increasing use of foreign locations in Indian films

Increasing coverage given to Bollywood in the western media

Indian film award functions such as IIFA which are held at an international scale outside of India.

## **Challenges for the Industry**

The year 2008 was a learning year for the industry with the sector reeling under the twin impact of lower success ratio as compared to last year as well as facing tough competition from sporting events such as IPL. The ongoing liquidity crunch has also affected the movie making business and has slowed down the funding to producers and corporates. Consequently the number of film releases is expected to reduce in the near future. Even though in recent times, small budget movies have displayed an upside potential, yet the overall profitability of films has been adversely impacted.

To summarize and reiterate the challenges for the sector:

Piracy - This is truly the bane of the Indian film industry. It is estimated that as much as INR 20001 crores is lost due to piracy annually. Films are

sometimes released in the pirated market no sooner than 12 hours after the official release for as little as INR 20. If the industry can combat piracy then the potential revenue upside for the sector could be significant

High Remuneration Costs - Actors' fees have been growing steeply of late which renders some projects economically unviable as they are not able to recover their costs

Content - Film making is a creative business and the primary driver for a good film is its content. The industry needs to come up with good quality and original content which appeals to the audience

Liquidity Crunch - In the last few years we have witnessed corporate houses jump onto the film making bandwagon; however due to the recent economic downturn they are facing a liquidity crunch and funding that was easily available in the film industry has now dried up. As a result of this we are likely to see movies that have been produced not being released. Sporting events like the IPL may also impact the releases of the films. Producers opt to time their films release after the sporting events such as IPL which could then result in a glut of films being released at the same time leading to plenty of vying for similar resources such as distributors, exhibitors etc. Low to medium budget films may be impacted the most due to this as they do not have the necessary clout

Infrastructure - The industry is grappling with inadequate facilities in terms of number of shooting floors available, dubbing studios, equipment, exhibition centers, this is compounded by the fact that the burgeoning

Television industry is also competing for the same finite resources. The need  
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of the hour is to establish additional state of the art studio facilities which can serve as a one stop shop for all the pre and post production activities.

Competition- There is increasing competition for the audience wallet and mind share from sources like IPL, online gaming, formula 1 etc. It is becoming increasingly harder for films to break through the clutter and emerge as the winner in this battle.

These challenges also underscore that going forward the industry is likely to be driven by original content, technological advances and agility in responding to changing customer preferences. Stakeholders across the value chain may need to take further action to unleash the true growth potential in the sector.

At an industry level, the following initiatives are likely to help in unlocking value for the sector:

Improve consumer connect by investing in new formats and content

More wide spread distribution of Home Video, e. g. at grocery stores etc., to facilitate easy access

Take coordinated and proactive action to tackle piracy

Promote and experiment with new talents

Improve organizational ability to attract and retain talent[8]

At an individual level, players need to focus on developing new capabilities and reinforce their strong areas. Companies need to focus on maximizing

their revenue from alternate revenue streams. With the Video on Demand services on both DTH and IPTV expected to pick up in future, players need to build up a strong and diverse content library to capitalize on content demand as well as mitigate their risks.

## **INDUSTRY ANALYSIS**

The players in the Hindi film making industry have already been discussed. In the total value chain analysis the inbound logistics would involve actors, technicians, creative people, and equipments (which are generally available for hire).

Operations would involve the production costs. Actually inbound-operations are overlapping in cinema industries case. The out-bound operations include distributors which take the movie to screens all over the country, selling of T. V. Rights, DVD rights etc.

Marketing of the movie sometimes is done by first distributors. But a fully integrated movie company would do it itself.

Forces of suppliers (which can include distributors also) are very strong. Even if you make a product it will be very difficult to sell it to a good price to distributors, if you don't have stars which will make the value of your product go very high.

Substitutes like T. V. are not actually a substitute with advent of technologies like DTH which make it another medium of transmission. And as the production and content value of movies are perceptibly high, T. V. is not a

threatening substitute. Also, movie watching is an experience and more and more consumers take it as an outing, so cost is not really a restraint.