

# **Project Dissertation on**

# **“EFFECT OF BOLLYWOOD CINEMA IN MARKETING OF PRODUCTS”**

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## **CERTIFICATE**

This is to certify that the dissertation report titled “**EFFECT OF BOLLYWOOD CINEMA IN MARKETING OF PRODUCTS**” is a bonafide and work carried out by **Ms. Mahvish matin khan** of **MBA 2016-18** and submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 in partial fulfillment of the requirement for the award of the Degree of Masters of Business Administration.

**Signature of Guide  
(DSM)**

**Signature of Head**

**Place:**

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## DECLARATION

I, Mahvish matin khan, student of **MBA 2016-18** of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi – 42, hereby declare that the dissertation report “**Developing a Diagnostic Tool and Time Series Analysis**

**in Respect of Wheat Arrivals and Prices”** submitted in partial fulfillment of Degree of Masters of Business Administration is the original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge.

This report is not being submitted to any other University, for award of any other Degree, Diploma or Fellowship.

**Place:**

**MAHVISH MATIN KHAN**

**Date:**

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I also extend my gratitude to my Parents, Mr.Matin ahmad khan & Mrs. Talat sultana, who provided me with their love and support whenever I needed it.

Lastly, I would like to thank God for giving me the skills and the patience because of which this project was made possible.

**Mahvish Matin Khan**

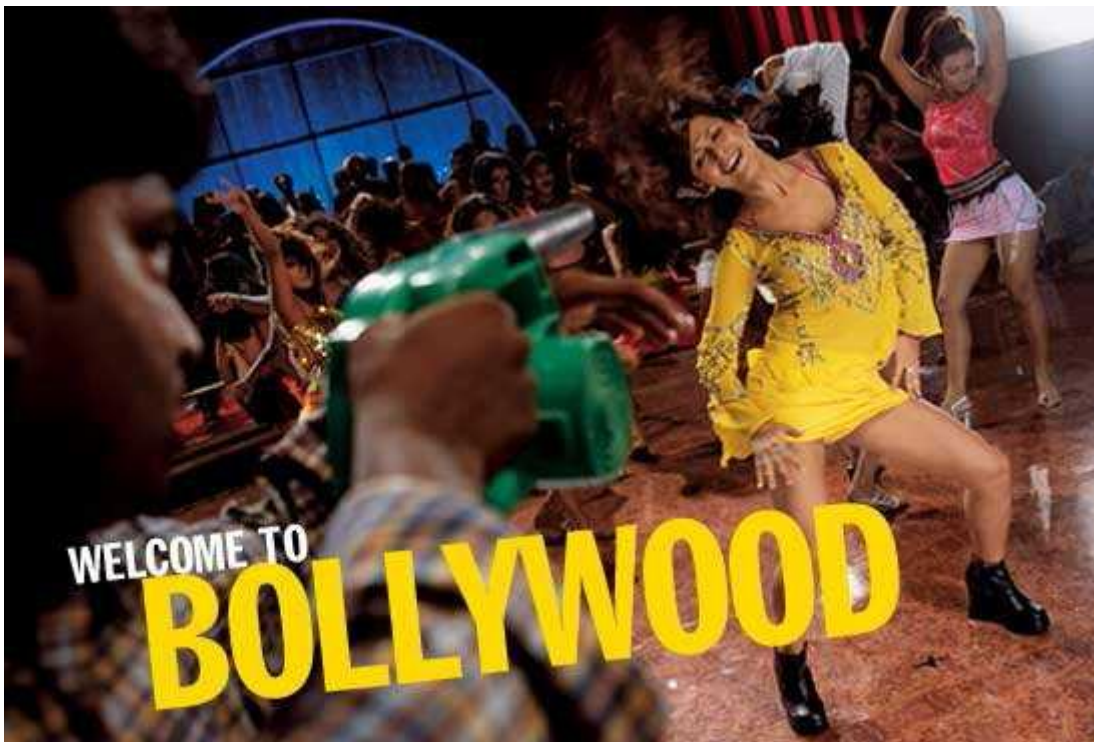
## **EXECUTIVE SUMMARY**

To target the particular market it is mandatory for a marketer to understand the customers' expectations and their requirements. The customers today are increasingly aware and highly responsive. The main objective of this project is to know consumer awareness about brands. And how they accept those brands which they notice in the movie. Marketer use cinema as promoting place due to easily available audiences.

# CONTENTS

<b>Chapter-1</b>	<b>Introduction</b>	<b>1-12</b>
	<ul style="list-style-type: none"><li>▪ Comparison Hollywood Vs Bollywood</li><li>▪ Marketing of Products in Cinema</li></ul>	
<b>Chapter-2</b>	<b>Literature Review</b>	<b>13-38</b>
	<ul style="list-style-type: none"><li>▪ Recent developments</li><li>▪ S.W.O.T. ANALYSIS</li></ul>	
<b>Chapter-3</b>	<b>Objective of Research</b>	<b>39-40</b>
<b>Chapter-4</b>	<b>Research Methodology</b>	<b>41-43</b>
	<ul style="list-style-type: none"><li>▪ Secondary Data</li><li>▪ Sample Size Area</li><li>▪ Sample Unit</li><li>▪ Limitation Of Study</li></ul>	
<b>Chapter-5</b>	<b>Data Analysis</b>	<b>44-61</b>
<b>Chapter-6</b>	<b>Finding</b>	<b>62-63</b>
<b>Chapter-7</b>	<b>Recommendation</b>	<b>64-65</b>
	<b>Annexure</b>	<b>66</b>
	<b>Bibliography</b>	<b>69</b>

## **“EFFECT OF BOLLYWOOD CINEMA IN MARKETING OF PRODUCTS”**



# **CHAPTER-1**

# **INTRODUCTION**



## INTRODUCTION

India is a rising star with many different faces the biggest democracy in the world a nuclear power the second most populous country after China one of the poorest countries of the world and the new destination for venture capital and technology companies. As the world's 12th largest economy with a GDP of about \$1 trillion (US State Department, 2007) India has gained a strong voice in the international agenda and attracts investors and governments looking to establish alliances with her.

Maharashtra is the economic powerhouse of India and home to the Bollywood Cluster.



The Indian film industry is the largest in the world in terms of both ticket sale volumes and the quantity of films produced within the country each year. And it is suggested that film entertainment business will rise at a compounded annual growth rate (CAGR) of 16% over the next five years. It is around Rs 84 billion in present time and it will increase at Rs 175 billion by 2011.

## History of Film Industry

Indian movie making industry that began in Bombay (MUMBAI) in 1930s and developed in to enormous film empires. Bombay Talkies launched in 1934 by Himansu Rai spearheaded the growth of Indian cinema.

In 1937 Ardeshir irani of ALAM ARA fame made the first color film in hindi KISAN KANYA. The next year, he made another colour film MOTHER INDIA. At this time, lavish romantic musicals and melodramas were the staple fare at the cinema. Dev Anand, Dilip Kumar and Raj Kapoor and actresses like Nargis, Meena Kumari, Nutan and Madhubala was the success actors of that time.

In 1970s in the mid-1970s, romantic confections made way for gritty, violent films about gangsters and bandits. Amitabh Bachchan, the star known for his "angry young man" roles, rode the crest of this trend with actors like Mithun Chakraborty and Anil Kapoor, which lasted into the early 1990s. In mid-1990s In the mid-1990s, the pendulum swung back toward family-centric romantic musicals with the success of such films as Hum Aapke Hain Kaun (1994) and Dilwale Dulhania Le Jayenge (1995) making stars out of a new generation of actors (such as Aamir Khan, Salman Khan and Shahrukh Khan) and actresses (such as Sridevi, Madhuri Dixit, Juhi Chawla and Kajol). In that point of time, action and comedy films were also successful, with actors like Govinda and Akshay Kumar and actresses such as Raveena Tandon and Karisma Kapoor appearing in films of this genre. Furthermore, this decade marked the entry of new performers in art and independent films, some of which succeeded commercially. These films featured actors like Nana Patekar, Manisha Koirala, Tabu and Urmila Matondkar, whose performances were usually acclaimed by critics.

The 2000s saw a growth in bollywood's popularity in the world. This led the nation's filmmaking to new heights in terms of quality, cinematography and innovative story lines as well as technical advances such as special effects, animation etc. Some of the largest production houses, among them Yash Raj Films and Dharma Productions were the producers of new modern films. The opening up of the overseas market, more Bollywood releases abroad and the explosion of multiplexes in big cities, led to wider box office successes in India and abroad, including Devdas, Koi... Mil Gaya, Rang De Basanti, Lage Raho Munnabhai, Krrish, Dhoom 2, Om Shanti Om and Ghajini,

delivering a new generation of popular actors (Hrithik Roshan, Abhishek Bachchan) and actresses (Aishwarya Rai, Preity Zinta and Rani Mukherji) and keeping the popularity of actors of the previous decade.

The Indian film industry has preferred films that appeal to all segments of the audience (see the discussion in Ganti, 2004, cited in references), and has resisted making films that target narrow audiences. It was believed that aiming for a broad spectrum would maximize box office receipts. However, filmmakers may be moving towards accepting some box-office segmentation, between films that appeal to rural Indians and films that appeal to urban and overseas audiences.

## **Financial Status of Bollywood Cinema**

Bollywood films are multi-million dollar productions, with the most expensive productions costing up to 100 crores (roughly 1 billion). Sequences shot overseas have proved a real box office draw, so Mumbai film crews are increasingly filming in Australia, Canada, New Zealand, the United Kingdom, the United States, continental Europe and elsewhere. Nowadays, Indian producers are winning more and more funding for big-budget films shot within India as well, such as *Lagaan*, *Devdas* and other recent films.

Most bollywood producers make money, recouping their investments from many sources of revenue, including selling ancillary rights. There are also increasing returns from theatres in Western countries like the United Kingdom, Canada, and the United States, where bollywood is slowly getting noticed. As more Indians migrate to these countries, they form a growing market for upscale Indian films.

## COMPARISON HOLLYWOOD VS BOLLYWOOD

<b>BOLLYWOOD VS. HOLLYWOOD</b>		
1,013	<b>FILMS PRODUCED*</b>	739
3.6 bil.	<b>TICKETS SOLD</b>	2.6 bil.
\$1.3 bil.	<b>WORLDWIDE REVENUES**</b>	\$51 bil.
12.6%	<b>ANNUAL GROWTH RATE</b>	5.6%
\$1.5 mil.	<b>AVG. PRODUCTION COST PER FILM</b>	\$47.7 mil.
\$500,000	<b>AVG. MARKETING COST PER FILM</b>	\$27.3 mil.

\*National film production, 2001      \*\* Estimates, 2002  
Data : Motion Picture Association of America, PWC, FICCI, BW estimates

### Popularity of Bollywood Cinema

Bollywood films are watched in South Asian countries, such as Bangladesh, Nepal, Pakistan and Sri Lanka. Most Pakistanis watch Bollywood films. Hindi films have also been popular in numerous Arab countries, Palestine, Jordan and Egypt, as well as the Gulf countries. Historically, Hindi films have been distributed to some parts of Africa, largely by Lebanese businessmen. Mother India (1957), for example, continued to be played in Nigeria decades after its release.

Bollywood has experienced a marked growth in revenue in North American markets, and is particularly popular amongst the South Asian communities of such large cities as Chicago, Toronto and New York City.

## **Marketing of Products in Cinema**

Cinema is a product as well as a medium. It is a great medium of entertainment. Marketer used it as marketing their product. Marketer places their products in cinema through actors which influence the audiences about those particular products. Product placement, as a marketing tool, has many advantages due to its captive audience. It is done by product placement in the movie.

### **Product Placement**

It is very important to expose the products only to the target audiences. It is very effective for marketer

There are three ways that product placements typically appear in a film:

- A logo is displayed
- An advertisement is used as a background prop
- The product itself appears in the movie

## **PRODUCTS MOSTLY MARKETED IN A CINEMA**

- 1) Ethically -charged products cigarettes alcohol guns
- 2) Neutral Products automobile cameras junk foods health consumer products snacks soft drinks stero equipments garments

## **MOVIES**

Guru- Hero Cycles

Don-Tag Heuer, Motorola, Garnier, Citibank, Oakley, Louis Philippe

Dhoom:2- Coke, Pennzoil, Pepe, Sony, Disney channel, Sugar Free, McDonalds, Speed, Suzuki Zeus

Lage Raho Munnabhai-Worldspace, IOCL, Go Air, MSN, Good Day, Kurkure, Bright Outdoor, Reliance Communications

Krrish-Singapore Tourism Board, Sony, John Players, Bournvita, Tide, Hero Honda, Boro Plus, Lifebuoy, HP Power, Acron Rangeela, Hansaplast, Lays

Rang De Basanti-Coca-Cola, Airtel, LG, Berger and Provogue.



Ghajini-Van heusen, apple.



Saif Ali khan in Tara rum PUM





John Abraham with motor bike



## HISTORICAL EXAMPLES

### Bobby- Rajdoot Motorcycle



- Hero -Yamaha 350
- Yaadein -Pass Pass, Hero Cycles, Coke

## **COMPARISION WITH OTHER MARKET**

In 2006, product cameos in Hindi films have been estimated at Rs 80 crore (Rs 800 mn). This year, they are expected to touch Rs 200 crore (or Rs 2 bn, i.e. \$45 million), which if true should place the industry amongst the leaders after the US. The US is currently the world's biggest market for product placement, valued at \$1.5bn in 2005. Of that figure, \$941m was spent on television, and \$500m (Â£264m) on film. Brazil and Australia are the next biggest markets, owing to fewer regulatory controls, with \$285m and \$104m spent respectively. France is ranked fourth at \$57m (30m) because of product placement in its films, and Japan completes the top five at \$53m.

So, Bollywood cinema has biggest market and marketer used it as best marketing place. And this concept is very successful in India. Marketer smartly used this strategy and targets all age group of people.

# **CHAPTER-2**

# **LITERATURE REVIEW**

## Introduction

In terms of films produced and released every year, India is considered to be the largest film producing country in the world. At the rate of 800 films a year, the cumulative consumer spending on filmed entertainment products in the country is estimated to be over 60 billion a year of which the Hindi film industry itself attracts 40-50 per cent.

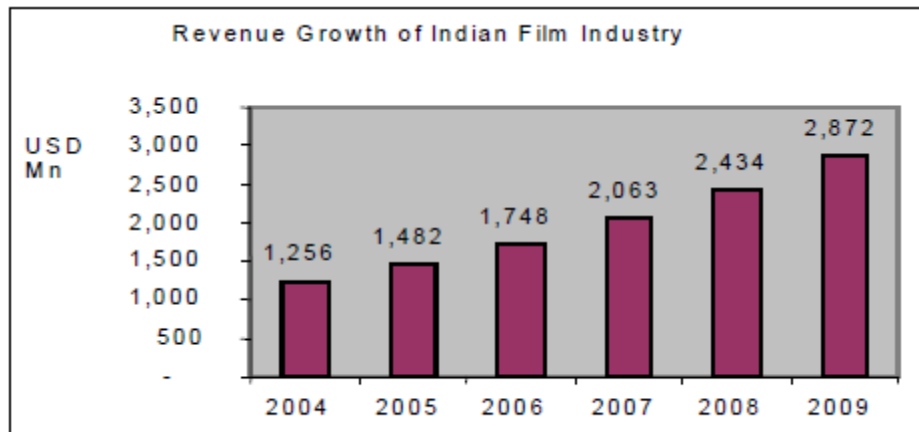
Bollywood is the informal name given to the popular Mumbai-based Hindi language film industry in India, but has largely become synonymous with Indian cinema in general. The name is a portmanteau of Bombay, the old name of Mumbai, and Hollywood, the center of the United States film industry. Though some purists deplore the name (arguing that it makes the industry look like a poor cousin to Hollywood), it seems likely to persist and now has its own entry in the Oxford English Dictionary.

Bollywood is cinematic hub whose output is the largest in the world in terms of number of films produced and in number of tickets sold. Bollywood is a strong part of popular culture of not only India and the rest of the Indian subcontinent, but also of the Middle East, parts of Africa, parts of Southeast Asia, and among the South Asian diaspora worldwide. Bollywood has its largest diasporic audiences in the UK, Canada, and the U.S., all of which have large Indian immigrant populations.

Bollywood is also commonly referred to as "Hindi cinema", even though use of poetic Urdu words is fairly common. There has been a growing presence of English in dialogues and songs as well. It is not uncommon to see movies which feature dialogues with English words and phrases, even whole sentences.

It's not just a mode of entertainment but has become a parallel religion in itself, in India, along with Cricket. The theatres are flooded on every weekend as any temple or mosque or church on any particular day of a week. Here the actors are treated as gods and the extent of popularity can be gauged by the fact that a statue of Amitabh Bachchan is worshiped in a temple in West Bengal. Although bollywood is not a defined industry as any other industry, but lately due to the corporatization of movies and production houses and the presence of intricacies of any other industry, it has achieved the industry status. Now, it has become a \$1.5 billion industry and expected

to grow at a compounded annual growth rate (CAGR) of 18% over the next 5 years. It is also one of the largest employers, providing direct and indirect employment to more than five million people.



Source: Industry estimates and PWC analysis

Analyzing the structural aspects of the Hindi film industry, Hindi films are broadly subdivided into three categories namely High Grade, Medium Grade and Low Grade. Films in all these three categories have different attributes related to cost of production, consumer reach, release windows, library values, proportion of revenue flowback in the first year of its release and marketing support through co-promotions with consumer brands.

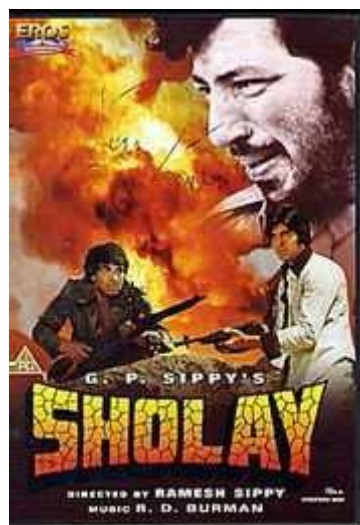
Films falling under the High Grade Hindi Films (HGHF) category should on an average cost Rs 20 million and their release should be done with more than 100 prints in major towns and cities before they are released in small centers. Cost of Medium Grade films on an average varies between 10-20 million, are inexpensive films with a relatively unknown cast and are basically targeted at smaller towns and cities while films falling in the Low Grade category cost Rs 10 million or less are inexpensive and adult oriented and targeted at smaller towns and cities. The release of such films is limited to the domestic theatrical circuit in smaller towns.

## HISTORY



Raja Harishchandra, 1917 was the first feature film made in India. It was made by Dada sahib Phalke. By the 1930s, the industry was producing over 200 films per annum. The first Indian sound film, Ardeshir Irani's Alam Ara (1931), was a super hit. There was clearly a huge market for talkies and musicals; Bollywood and all the regional film industries quickly switched to sound filming.

The 1930s and 1940s were tumultuous times: India was buffeted by the Great Depression, World War II, the Indian independence movement, and the violence of the Partition. Most Bollywood films were unabashedly escapist, but there were also a number of filmmakers who tackled tough social issues, or used the struggle for Indian independence as a backdrop for their plots.



In the late 1950s, Bollywood films moved from black-and white to color. Lavish romantic musicals and melodramas were the staple fare at the cinema. Successful actors include Dev Anand and Raj Kapoor. In late 1960s and mid 1970s, violent movies' era was started but romantic movies also co-existed and Dharmendra was a

major star. In 1975, the all-time greatest hit movie of Indian history, Sholay was released. Its star cast included Dharmendra and Amitabh Bachchan.

In the late 1970s and 1980s, romantic confections made way for gritty, violent, films about gangsters and bandits. Amitabh Bachchan, the star known for his "angry young man" roles, rode the crest of this trend. In the early 1990s, the pendulum swung back towards family-centric romantic musicals with the success of such films as Hum Aapke Hain Kaun (1994) and Dilwale Dulhania Le Jayenge (1995).

The Indian film industry has preferred films that appeal to all segments of the audience and has resisted making films that target narrow audiences. It was believed that aiming for a broad spectrum would maximize box office receipts. However, filmmakers may be moving towards accepting some box-office segmentation, between films that appeal to rural Indians, and films that appeal to urban and overseas audiences.

### **Emerging trends**

In view of the changing landscape of the Indian film industry, the industry is witnessing the following trends:

#### **Film Production**

- Higher focus on return on capital and payback period
- Production of niche films with smaller budgets

#### **FILMS FOR TV**

- Increase in film production projects by music companies
- Better quality cinema content (storyline, music, cinematography, packaging)
- Top actors, actresses and directors will hopefully move towards the trend of working on fewer but better projects
- Increased focus on packaging and marketing of the film
- Entry of global majors through their Indian subsidiaries/alliances

- Trends towards vertical integration (by film production companies) across the film value chain specially distribution

## **FILM DISTRIBUTION**

- Trends towards corporatization and organized business structures
- Increase in number of distribution territories, directly or indirectly
- Increase in prints for initial release
- Trends towards vertical integration (by distribution companies) across the film value chain especially exhibition
- If piracy is not curbed, trends towards selling distribution rights for Home Video and C&S TV platform within 6 months of the release of the film.

## **FILM EXHIBITION**

- Higher number of screens
- Rationalization in entertainment taxes
- More multiplexes and a corresponding decrease in single screen cinema halls Higher cinema attendance
- Corporatization of film exhibition players
- Entry of global players
- Collaborative development activity between the film exhibition players, retailers, property developers or food and beverage players

## **GENERAL ENVIRONMENT**

- Increasing corporatization
- Higher levels of transparency
- More disciplined environment
- Organized financing (debt as well as equity)



- Decline in piracy
- Increase in trends towards taking insurance cover
- Introduction of Completion Guarantee.

## **Recent developments**

Hindi film industry is going through an entirely revamping stage where almost every rule is subjected to a dramatic change. The taste of audiences are changing, the technology is changing, thumb rules for a successful movie doesn't hold good anymore, corporatization is taking place and to cater to all this, the product of the industry i.e. the movies are changing. To get a bird eye view, the current trends are analyzed under different heads as under:

### **Business Trends**

Looking at the emerging business trends it is seen that the number of production of High Grade Hindi Films are increasing year on year like from 60 in 2001 to 89 in 2004. In the same period production and release of Hindi films increased from 157 to 177. Analyzing the release of HGHF films between 2001 and 2004 it is seen that such films released per week has grown by 62 per cent.

There can be seen a trend towards producing multiple films every year by select production houses. 63 out of 89 HGHF films released in 2004 were produced by production houses and companies which earlier used to produce one film in a year. There can also be seen a growing trend towards co-productions that have increased from 3 in 2001 to 15 in 2004.

Going by the release trend it has been noticed that the number of prints on which a film belonging to the top 50 Hindi Film Group releases increased by 22 per cent from 310 in 2001 to 377 in 2004. In the same period average number of domestic prints increased by 18 % from 239 to 282 while prints for overseas exhibition increased by 36 % from 71 to 96. While it has been found that the number of overseas prints has increased for big scale

Hindi films, that of prints for the domestic market increased for an average film in the top 50 Hindi Film Group.

On the attendance front the opening weekend (Friday-Sunday) constitutes 56% of cinema attendances while 44 % of admissions spread over the remaining four-day period between Monday to Thursday. Going quarter-wise the second and third quarter of the calendar year (2004) contributed 57 % (Second-30%) and (Third-27%) as compared to 43 % for the first (19%) and fourth (24%) quarter.

Gross Box Office Collections (GBOC) of Hindi films have increased from Rs 9.29 billion in 2001 to Rs 11.99 billion in 2004 that denotes an increase of 29.08 % between 2001 and 2004. Average GBOC per film amongst the top 50 films have increased from Rs 169 million in 2001 to Rs 200 million in 2004. Since not many other films ran in same theatres for more than three weeks, average collection trends of all Hindi films together show that a higher proportion of their collections coming from the opening weekend and in the first three weeks of release.

Going by the release of foreign films it was noted that such films grossed Rs 1800 million and constituted 15-17% and 20 % of GBOC for all Hindi films and Top 50 Hindi films respectively.

Succinctly it can be stated that the hindi movie industry is flourishing at a growing rate with an increase in number of movies produced and number of prints released every year to garner more-n-more of the increasing number of viewers' disposable income.

## **Marketing**

"Krrish" broke Indian movie industry norms with lavish special effects and dramatic stunts along with new marketing techniques for India that ensured it easily surpassed its 10-million-dollar shooting cost, by netting more than 35 million dollars since its release last month. It is recognized as the incarnation of the first masked Indian superhero which was liked by the viewers across all the segments.

A strong merchandising plan and simultaneous release at cinemas across the world to prevent piracy set new management standards in the increasingly professional Indian movie industry. It's a very big example of the corporatization of the Indian film industry. Nobody ever did market research like this before. This was scientifically done. The movie features a lot of products which becomes a medium of revenue for the producers and a media for the advertisers.

Lately, India's major business houses are making growing inroads into the industry, edging out underworld financiers who used to control the Mumbai-centered industry, and have incorporated stricter controls.

## **Finance**

With Indian films going global, some of the leading corporates of the country like Tata Info media, Reliance Infocomm, A.V Birla group, A.B. Corp, Sahara India, the Oswal group, Raymond chairman Vijaypat Singhania are fast realising that there's a veritable fortune to be made in film production.

The 2003 hit Pinjar was made by the Oswal group's Lucky Star Entertainment Ltd. The Amitabh Bachchan-Bipasha Basu starrer Aetbaar and the not-so-hyped Woh Tera Naam Tha that hit movie theatres in January last year were produced by well-known names in Indian business. Though both films didn't make the box office jingle, they were significant in another way. The former marked the entry of Tata Info media Ltd and the latter that of business tycoon Vijaypat Singhania into Bollywood.

Apart from the above three, names such as Sahara India Mass Communications, PFH Entertainment, K Sera Sera and Cutting Edge Entertainment are fast replacing traditional financiers. The development has alarmed established film houses and bollywood moneybags are dreading the entry of corporates who are tiptoeing into a business dominated by individual financiers. What started off as a mere brand promotion affair is now turning into a big fascination and slowly, but surely, bollywood is getting corporatized.

Many feel this is an excellent development for serious filmmakers who want to do meaningful cinema but cannot find the necessary funding. Most conventional financiers want a commercial hit and are not bothered about the aesthetics of a film. These creative minds now have a new source for finances.

Amitabh Bachchan feels the entry of corporate will be a big boon for the industry. "It is a very smart move by the business houses. In the long run, it is definitely going to pay rich dividends. The best thing about this is the discipline that big organizations bring with them. Our industry sorely lacks it," says the superstar. With his A.B. Corp, he too has entered film production and is making Ranveer with son Abhishek.

As far as work discipline goes, the corporates are learning their lessons the hard way. Unlike the business world that works on strategies and fixed guidelines, Bollywood has a reputation of being undisciplined and is a maze of irregularities. The industry works in a disorganized manner and no one can change it overnight. In any case, it will be a Herculean task that will need support from all quarters. However, the corporate world has tried to infuse certain values and principles into this otherwise chaotic industry. For instance, in the making of Aetbaar, Tata Info media Ltd had a written agreement with all the actors and technicians. The schedules and resource allocations were carried out with business plan exactitude.

"A good business sketch is paramount. It ensures the right scheduling of all the work from start to finish. It is very necessary that all departments — production, creativity, marketing, packaging and distributing — be scheduled on paper and then executed accordingly with proper monitoring," says Singh.

Another important business aspect that is often taken for granted in the industry is the value of time, which not many take seriously. "Big names were bogged down by other commitments and time was the most expensive resource. This was the main reason why I chose newcomers. We decided to have a no-nonsense approach to filmmaking" says Singhania. Indeed, the no-nonsense approach of corporates is a boon for newcomers.

Sahara has also struck a two-and-a-half year deal worth a reported \$17 million, with the hottest bollywood corporate combo Ram Gopal Varma and K Sera Sera, for a production of 10 films. Their first product Ab Tak Chhappan has been a moderate hit and they are looking ahead to produce nine more films in the contract time.

According to reports, Reliance Infocomm is also planning to enter tinsel town in a big way. Applause Entertainment floated by the A.V. Birla group is creating ripples by producing two bollywood films, Dev and Sanjay Leela Bhansali's Black. With so many business houses in the fray, it seems that bollywood might witness not just 'star wars' but also corporate battles in the future. And why not? With some 1,000 multiplexes slated to dot the country in the next two years, corporate giants are eyeing the huge returns that films have to offer — not just moolah, but instant name and fame too.

The moolah is not only inviting the Indian corporate houses but also the Hollywood studios. First it was Sony Pictures owned by Sony Corp venturing into a co-production with Sanjay Leela Bhansali to make Sawariya, a mainstream bollywood film. After resting idle for years with an FIPB approval for film production in India, now it is the turn of Viacom's studio Paramount to fix its eyes on co-production.

Though Hollywood is the world's most-powerful film industry—boasting more than 90 per cent of the European market as well as a large share in other movie-going regions—it has barely made a dent in India, with only about four per cent of the market. It is understood from industry players that the box office share of Hollywood films vis-à-vis local content has declined marginally from about eight per cent in 2002-03 to five per cent in 2004-05. Secondly, Hollywood studios have largely stuck to distributing films or dubbing them in regional languages to reach a wider audience.

Given this backdrop, Hollywood studios have been toying with the idea of co-producing films in India since 2002 when corporatization of the Indian film industry came into play. Infact Twentieth Century Fox was the first to ink a deal with Ram Gopal Verma to coproduce three Hindi films in India way back in 2002. However the deal fell through as Twentieth Century Fox shut down operations in India. For Hollywood studios with presence in film distribution in India—natural extension is production.

With India's filmed entertainment business valued at about Rs 6,800 crore (\$1.5 billion) in 2005 Hollywood studios see a huge opportunity to cash in on the Bollywood market through co-productions.

### **Targeting overseas markets**

As already mentioned, Indian diaspora constitutes a substantial number in the total population of countries like the US, the UK and Canada, many more movies are made, with a backdrop of NRIs, in order to woo these customers. The plot, story, actors, etc. are chosen in accordance with the likings and preferences of the NRI viewers.

In order to target these markets the industry is entering into strategic alliances like the one signed with the US India Business Alliance (USIBA) to promote the interests of India's entertainment industries in the US markets. As per the agreement, the Film & TV Producers Guild of India and USIBA will work jointly to increase opportunities and the market for Indian films and entertainment in the US.

To cater to these audiences, many movie makers are making the movies both in Hindi as well as in English. Also, there is an increase in usage of English words or phrases or even whole dialogues. There are also a handsome number of movies made exclusively in English language.

### **Multiplex era**

Gone were the days when one has to come back from a theatre without watching a movie due to unavailability of tickets, or when movie watching was just a means of entertainment. Now is the era of multiplexes where one has multiple screens featuring different movies along with the best in the business screens and sound systems which makes movie watching an entirely different experience in itself.

Although the multiplex culture is presently operational in grade A and some grade B cities only, a significant amount of multiplexes are proposed covering many more cities across the states. PVR Limited, India's leading film exhibitor is planning to launch 50 additional screens, Inox Leisure Limited another leading film exhibitor is planning to launch 48 additional screens and Essel Group is planning to launch 140 additional screens across 35 cities, among other players in the industry. Just to cite a

number, according to some estimates about 1,000 multiplexes are proposed to become operational in the next two years.

Not only the number of multiplexes is increasing but also the technologies used in these are improving very rapidly. An excellent example of the technological advancement in movie watching is, the biggest in the world, IMAX® dome theatre in Wadala, Mumbai where viewers have a scintillating experience due to its 3D effects and sound effects.



# S.W.O.T. ANALYSIS

## Strengths

### Areas of relative and distinctive competence

- **One of the biggest sources of entertainment**

In India movies are the one of the biggest sources of entertainment and bollywood is the most prominent industry in the segment. It seldom happens that on any given friday, a movie is not being released. People even go for an advance booking of the movie tickets in order to secure their seats and avoid last minute rushes.

- **Liking of Hindi movies**

Not only in Hindi speaking states of India but across the nation, there exists a significant liking or love for Hindi movies. It has become a part and parcel of the vox populi of India.

- **Huge fan following recognizing Bollywood as a religion**

There is a huge fan following for bollywood movies without any barrier of caste, creed, race, religion, age, sex or for that matter any other dimension of differentiation, which treat it as a parallel religion. It is as relevant and rampant a concept in India as Cricket and Politics are.

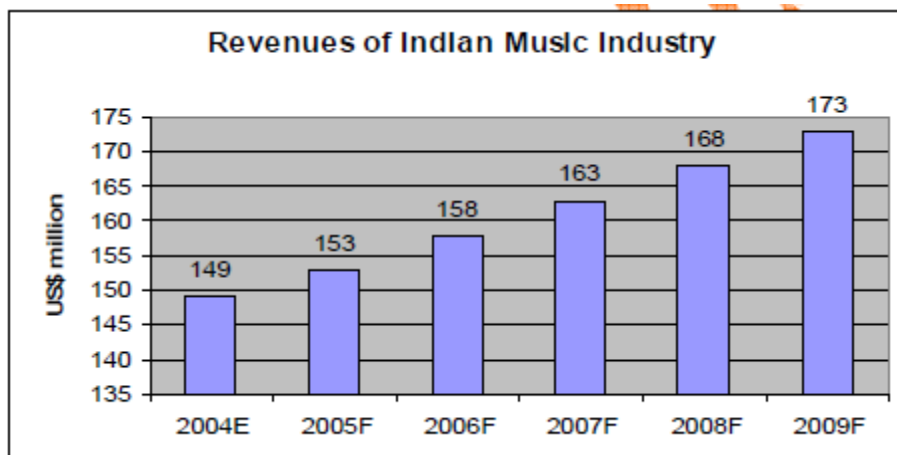
- **Indian diaspora of 20-million people residing overseas**

The Indian diaspora of 20-million people who reside overseas has an earning power twice that of the vibrant Malaysian national economy. And by itself is a huge market for consumption and investment opportunities (20 per cent of foreign exchange reserves are contributed by non-resident Indians).

## Music industry is majorly depended on bollywood

Music and dance are an integral part of any Hindi movie without which the movie is expected to be doomed by the audiences. In India the music industry is almost completely dominated by the Hindi film industry. Non-filmi music i.e. stand alone albums are still not so prevalent in India and that is what increases the bargaining power of bollywood.

The increasing trend of revenues for the Indian music industry gives a better sign for the bollywood industry as a major part of its revenue is dependent on bollywood music.



Source: Industry estimates & PwC Analysis

### ▪ Availability of talent in abundance

One of the most important strength of Bollywood as on date is the availability of some of the most talented artists of the millennium such as Amitabh Bachchan, Lata Mangeshkar, Aamir Khan, Hritik Roshan, Javed Akhtar, Asha Bhosle, Subhash Ghai, Yash Chopra, Shah Rukh Khan, etc. Besides these superstars many new talented performers have also come up which provides for better prospects to the industry as a whole.

### ▪ Related to the feeling and life of the viewers

Bollywood movies have a peculiarity that viewers can relate it to one or more instances of their lives. And that's what makes them feel it like a part of their life. Current scenario and happenings replicated by Indian films many a times

bollywood movies base their plot on an actual happening or current scenario, to make the viewer relate to it and thereby making the movie an instant hit. The movies like 'Border' and 'LOC' were made on the Indo-Pakistan tensions while 'Zameen' was based on the plane hijacking of Indian Airlines.

- **Great source of revenue and employment**

Bollywood is a major source of revenue both for people inside the industry as well as to the government. It generates huge direct and indirect employment and is among one of the major employers in India.

- **Source of spreading Indian culture abroad**

Another major strength of bollywood can be said to be its significance as an endorser of Indian culture in foreign countries. Bollywood movies, actors and performers are Indian ambassadors more than a media of entertainment.

## **Weaknesses**

### **Areas of relative disadvantage**

- **Connections with the underworld**

Major weakness of bollywood is its undercover relationship with underworld which has shook the world many a times. It is said that a significant portion of financing is done by the underworld and most of the performers have some relationship with them.

- **Dependence of success on some factors**

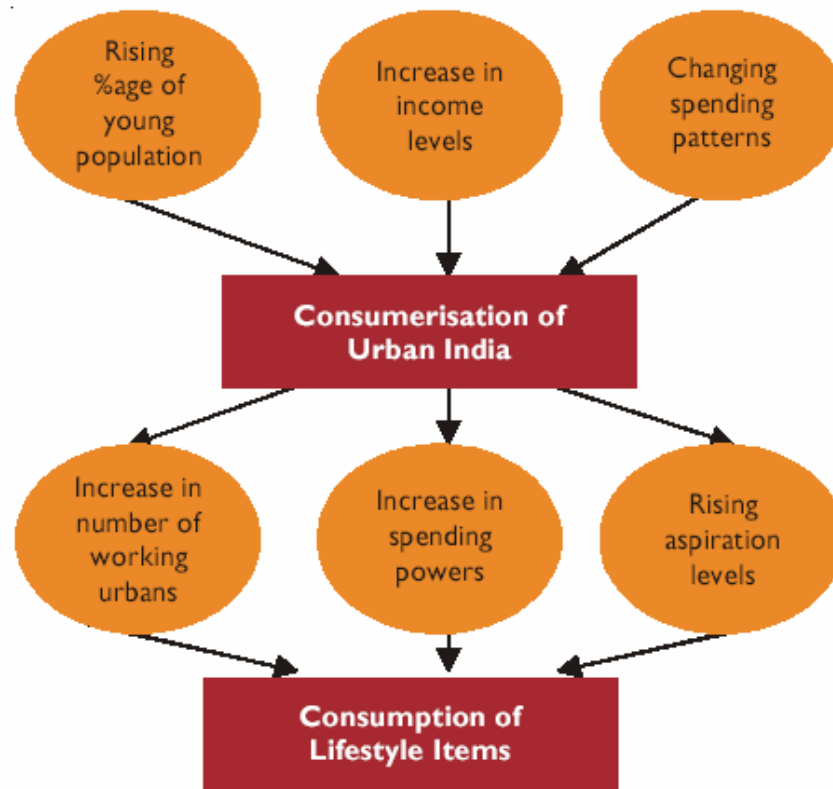
Primary success of a particular product i.e. movie is dependent on the banner under which it is produced or the highly acclaimed directors or actors. Normally, it happens that movies with a strong star cast becomes a success even if the movie is not up to the expectations and a real good movie have to wait for mouth-to-mouth publicity to get its due.

- **Prominence of families**

Another weakness that could be elucidated here is the prominence of some families which were having a strong hold in the industry. It may bar new comers from getting into the industry or influence the directors' or producers' decision of casting a particular performer.

## Opportunities

### Environmental trends with potential positive outcomes and returns



Source: *Lifestyle Consumption by Edelweiss Securities Private Limited-2005*

- **Increasing number of multiplexes**

As already mentioned, around 1,000 screens are coming up in the next two years across the country, gives bollywood an opportunity to expand its boundaries, reach, scope as well as its revenues.

- **Increase in the middle class**

With around 30-40 million people joining the middle class every year, it provides bollywood with a significant untapped market to cater to.

- **Increase in service sector employees**

As the service sector employees tends to spend more and value their leisure time more than any other segment, it provides for a segment which is a regular customer with a high disposable income.

- **Increase in the disposable income**

As a result of growing economic conditions, Indians are experiencing an increase in disposable income and bollywood should work towards getting a significant portion of this increase.

- **Change in lifestyle of people**

With the shift in income level and increase in living standards of people, India is evidencing a dramatic change in lifestyle with people valuing their leisure time and exerting themselves to make a proper work-life balance. As movies are a major component of entertainment in India, it is legitimate to expect a significant increase in number of viewership in the forthcoming years.

- **Large untapped rural market**

Although Bollywood has a strong hold in the urban market across the country, it still doesn't have a proper reach to the interiors i.e. the rural India, primarily because of lack of proper infrastructure. Some such measures should urgently be taken in order to cater to these large masses.

- **Changing face of bollywood with its corporatisation**

With the corporatisation of bollywood, many a changes are on the anvil and the industry can get the maximum mileage from them if utilized properly. With the corporatization of bollywood finance wouldn't be a problem for good concepts and it also bring in some structural regularity and discipline in the production process.

- **Internationalization of bollywood**

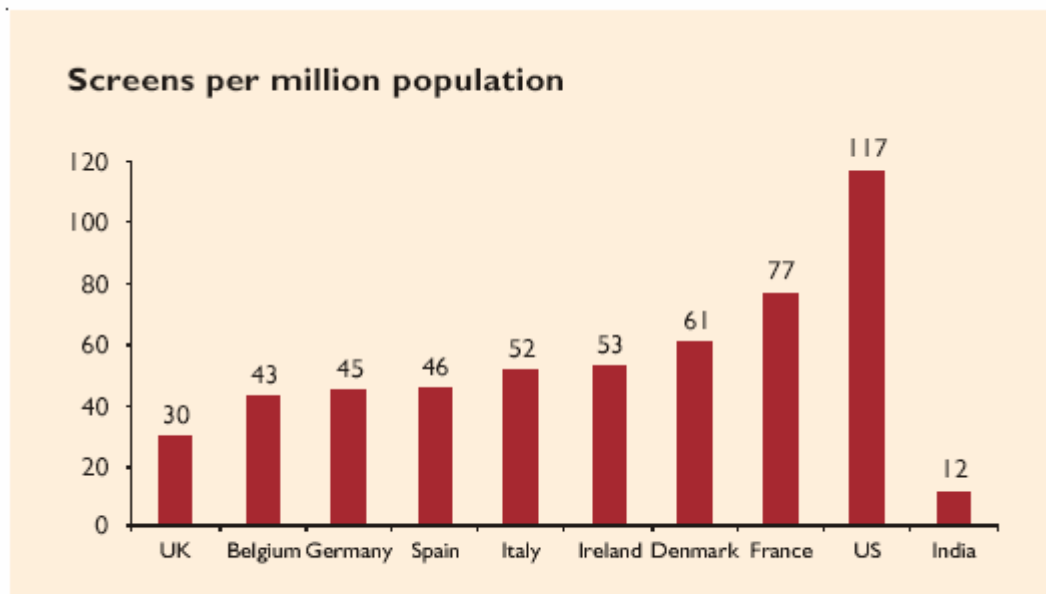
As already discussed that a large Indian Diaspora is present in western countries and are a big market for bollywood movies, making movies keeping the western viewers in mind wouldn't be a bad idea at all. As Indians like Hollywood movies, bollywood movies should be matched with those standards and released worldwide in order to increase its reach and revenue.

- **To produce movies exclusively for TV viewers**

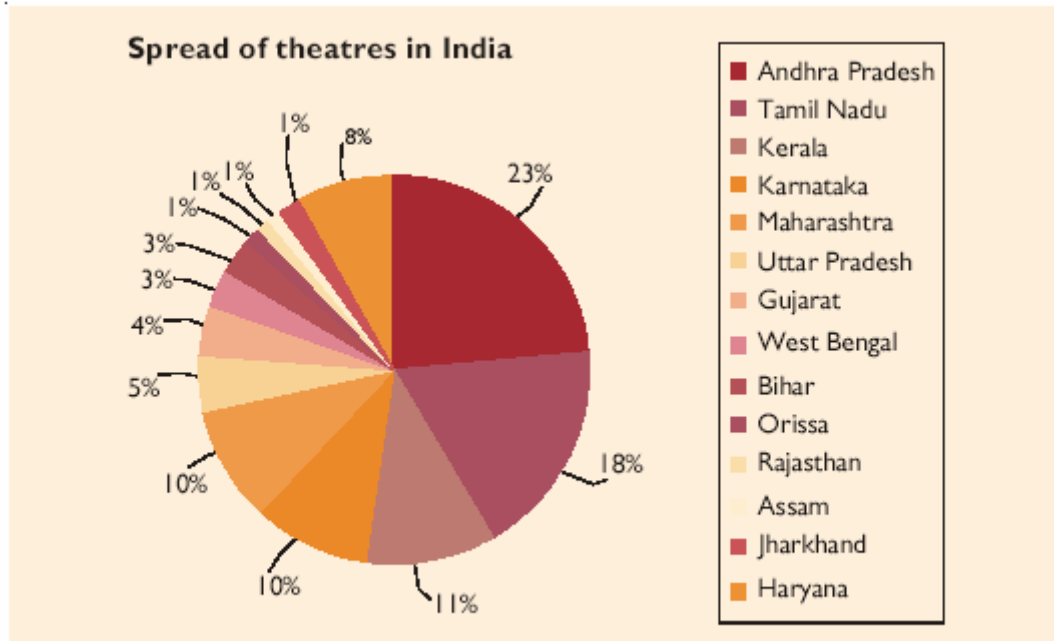
Now days, with the increase in the number of TV viewers, the medium provides a big opportunity for bollywood. In order to reach out to these viewers, movies exclusively made for TV or a normal movie divided into several episodes should be shown.

- **Exhibition infrastructure**

The number of exhibition theatres is much lower than developed countries and inadequate for a large population like India's. India has just 12 screens per million population whereas the US has 117 screens per million population. Even if a gap of just 8 screen average (as per the UNESCO Report of 2001, quoted in the CIKPMG Report 2005) is considered, there is a potential demand of about 8,000 additional screens in the country.



Further, about 60% of the theatres in the country are situated in the four Indian southern states of Andhra Pradesh, Tamil Nadu, Kerala and Karnataka servicing only 22% of the Indian population. As a result of this regional disparity, there is a latent demand to launch theatres in other states of India.



Source: FICCI-PricewaterhouseCoopers Report- Indian Entertainment Industry: An Unfolding Opportunity

- **Animation and technological developments**

Lately, Indian cinema has confronted with the technological developments through which a large number of special effects could be incorporated in the movie in order to make it more interesting. These technologies should further be upgraded and frequently be used in order to get the most out of it.

Another type of movies that provide a massive opportunity is the animation movies. Lately, Bollywood has produced animation movies like ‘Jajantaram Mamantaram’ and ‘Hanuman’ which were very successful according to Indian standards and should be promoted because they have the biggest potential to cater to a very big segment of under teens.

- **To tap formal sources of finance**

Now as bollywood has received an industry status, it should work out plans of getting finance from financial institutions, foreign financiers and other legitimate sources so that any possible crunch that pose a hindrance can effectively be weeded out.



- **Training infrastructure and methods**

The FTII, the Satyajit Ray Film and Television Institute (SRFTI), Kolkata and other private film institute's need to concentrate on modernization of the training infrastructure and methods.

The Indian Institute of Mass Communication (IIMS), Delhi, needs to be strengthened to meet the specialized training needs of the media units. Facilities for radio and TV journalism and video projection must be suitably strengthened. The feasibility of increasing the intake of students in various courses needs to be explored in order to make fullest use of available infrastructure.

- **Source of foreign revenues**

Bollywood has the potential to be a significant source of foreign revenue generator. With the corporatisation and internationalization, it is the most appropriate time for the industry to think seriously in this direction and make a mark in global cinema.

- **Increase in Ad-spend**

As ad-spend constitutes a menial part of total cost, it is desirable for bollywood to get into the advertising wars and promote their movies aggressively and innovatively. A recent example where aggressive marketing have paid off recently is the movie 'Krrish'. Aggressive advertising also helps a movie to garner early bugs due to the hype it creates in the market.

- **Use of newer delivery channels**

As innovation is the key to succeed, bollywood should look out for newer channels to promote and distribute its products viz. movies and music. For this it can use various mediums like Internet, mobile phones besides theaters, VCD, DVD, Cable Terrestrial DTH, etc.

- **Emergence of FM Radio**

With the complete revamped avatar of radio, bollywood should be an opportunist in using the medium for aggressive marketing and selling its music. As radio has a

broader reach due to its low cost factor and mobility, bollywood can appeal to a broader audiences.

- **Brand endorsement**

With brand wars going on across the industries, bollywood provide them with an excellent opportunity to showcase their products and associate them with viewers' favorite performers.

## **Threats**

### **Trends within the environment with potential negative impacts**

- **Increasing craze for Hollywood movies**

With the increase in English spoken population in India, the demand for Hollywood movies is on an all time high. Movie-goers want to spend less than two hours rather than sitting for three or more hours, watching a movie completely filled with emotions and technology along with drama.

- **Strong-hold of regional movie industries (mainly in Southern India)**

Like Hollywood movies, the regional language movies also pose a threat to bollywood. The regional cinema is not so prominent in India other than in southern states where Tamil and Telugu film industries have an upper hand over bollywood.

- **Increasing craze of live-performance theaters**

Although this is not such a big threat essentially because these theaters are based primarily in Grade 'A' cities only. But their increasing popularity can pose significant challenges in the long run.

- **Heavy Piracy**

This is one of the most important threats to bollywood. The industry is losing a substantial amount for revenue on accounts of film piracy. Strict curbs on film piracy would boost industry revenues substantially.

There are instances when a pirated print is available in the market even before the release of the movie in Indian market or within two days of release of a movie. This eats up a lot of revenue of the producers and he might make a loss for an average or a good movie.

## PORTER'S FIVE FORCES MODEL



# **CHAPTER-3**

# **OBJECTIVE**

# **OF**

# **RESEARCH**

## **OBJECTIVE OF RESEARCH**

- To know marketing through cinema is identifiable or not.
- To check acceptance level of audiences for a product, through cinema.
- To understand about product placement in cinema.
- To know effect of this type of marketing on people.
- To check the frequency for a particular movie.
- To check the brand awareness.

# **CHAPTER-4**

# **RESEARCH**

# **METHODOLOGY**

## **RESEARCH METHODOLOGY**

**Collection of Data-** The process of collecting data or primary data from a single source or from a multiple sources.

The data being collected from various sources. People watched cinema are being interviewed and direct surveys are being taken and getting the questionnaire filled by the different people.

**Primary Data:** The data collected through direct surveys from movie watcher who carefully watches the movie and getting the questionnaire filled.

**Secondary Data:** Those data which are collected through other sources. The data is collected from various articles, and websites.

### **Sample Size Area**

For the research purpose we have taken some movies as example-Ghajini, Hero, Bobby, Yaadein, Rang de basanti, Dhoom, Tara rum pum, etc. In these pictures marketer used marketing strategy to promotion products like automobile, garments and mouthfreshner etc.

### **Sample Unit**

We have taken 50 frequent people for our research and taken 15 years to 55 years age group people who notice the products in cinema.



## **LIMITATION OF STUDY**

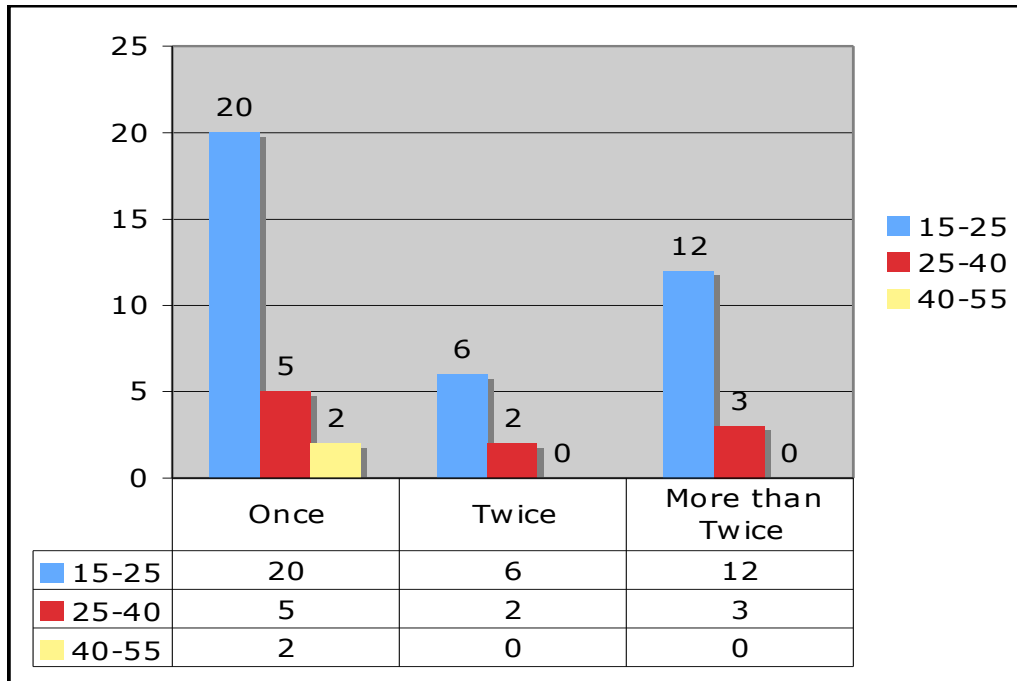
- 1) Many of people face difficulties about some technical words used in questionnaire.
- 2) Sample unit is very low which create difficulties in analysis.

# **CHAPTER-5**

# **DATA ANALYSIS**

# DATA ANALYSIS

## 1) Frequency Chart (Age Group)

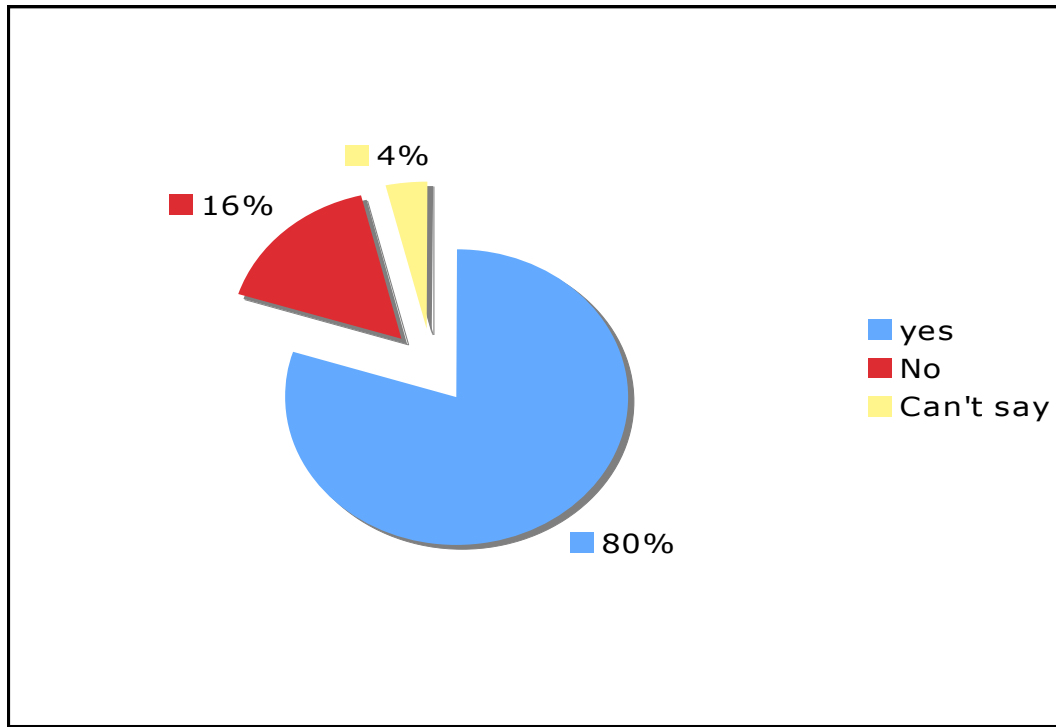


## ANALYSIS

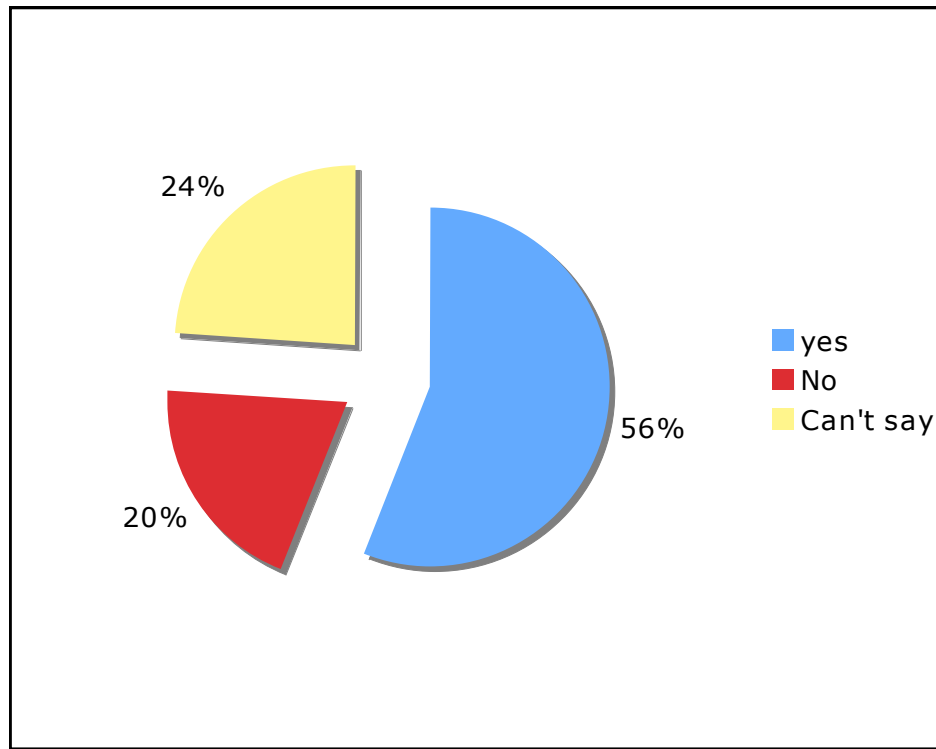
- Frequent movie watchers are more accepting of product.
- Target consumer lies between 15-25 year groups.

## ANEXURE A (PRODUCT PLACEMENT IN CINEMA)

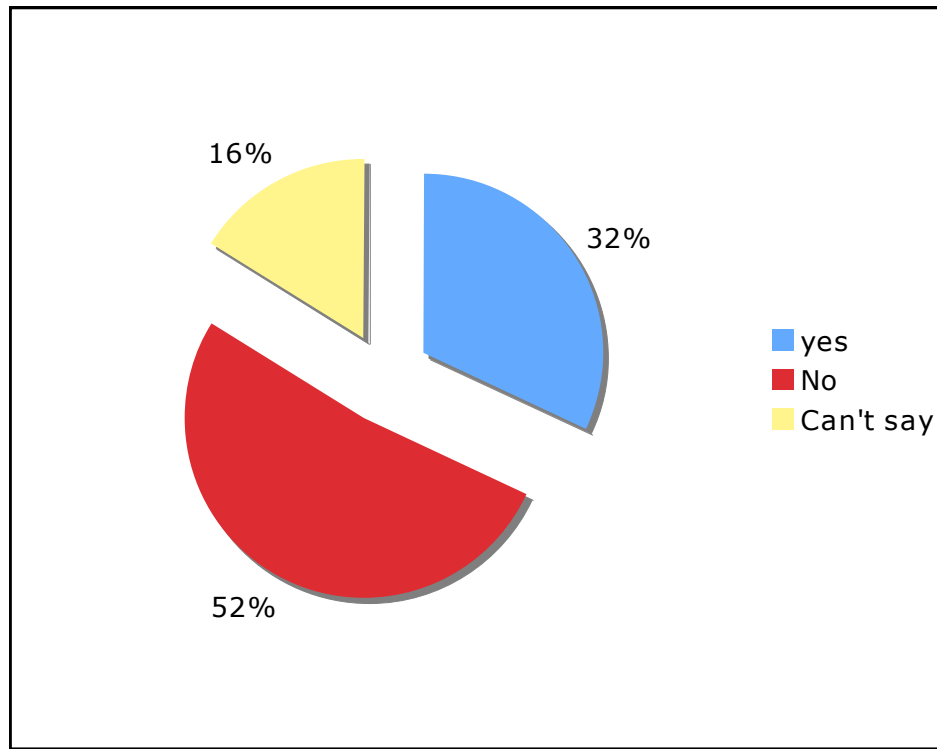
1) Do you notice the marketing of a product in cinema?



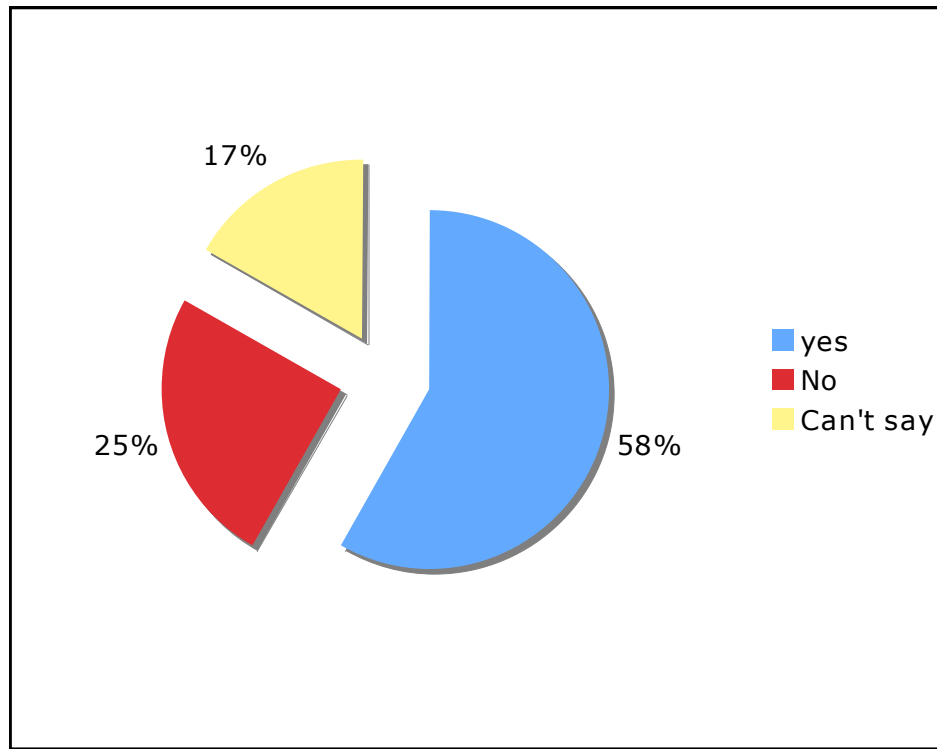
**2) Do you like the marketing tactics of a marketer?**



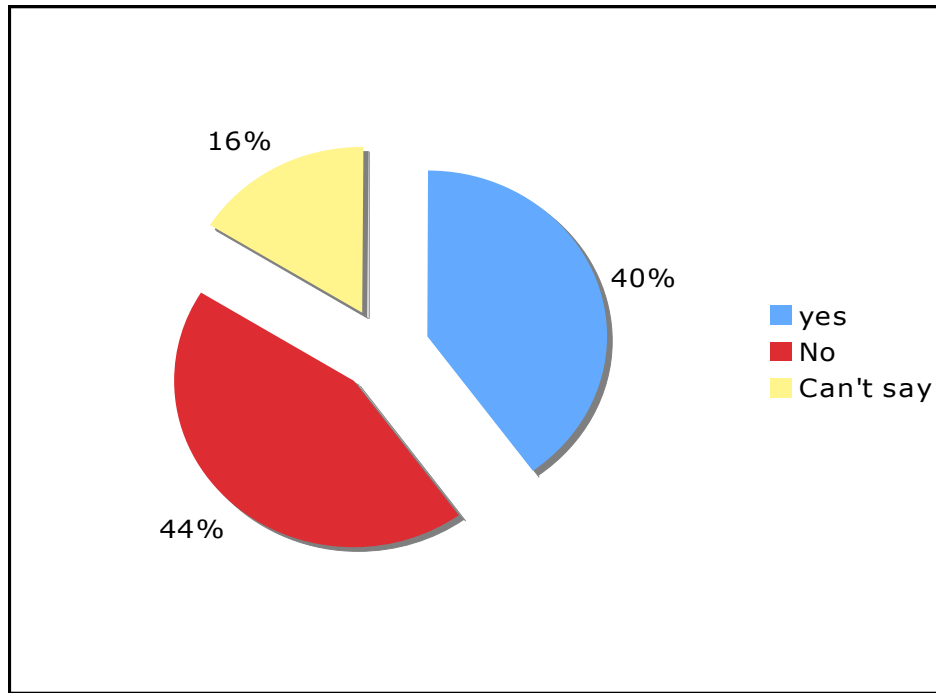
### 3) Is it interrupting stuff in watching cinema?



**4) Do you agree it is effective marketing?**

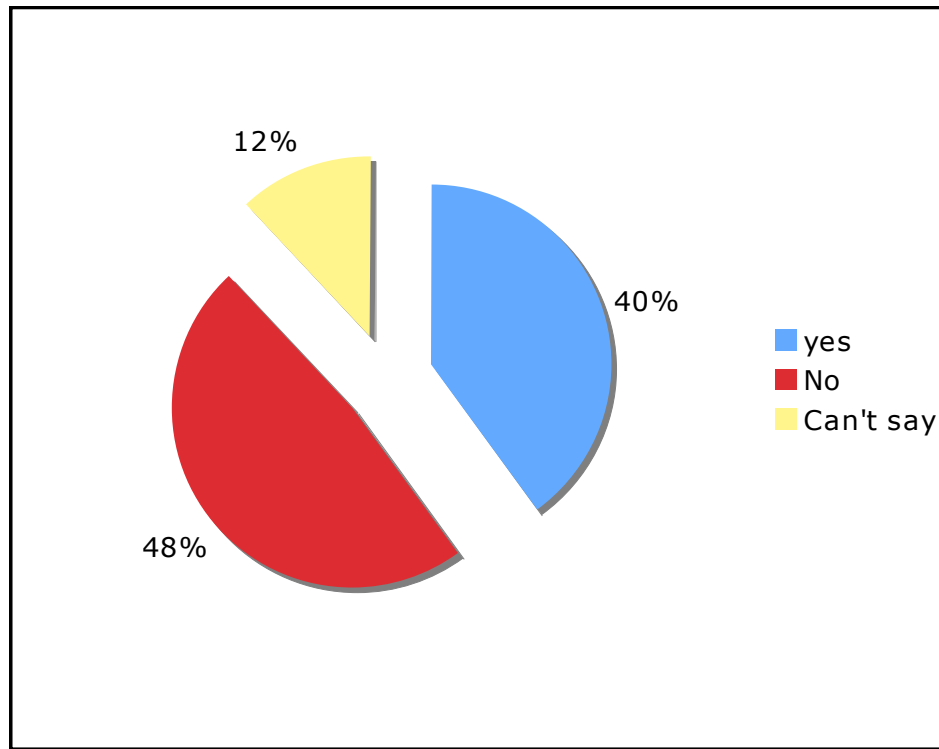


### 5) Is it emotional marketing?





**6) Does it influence your marketing decision?**

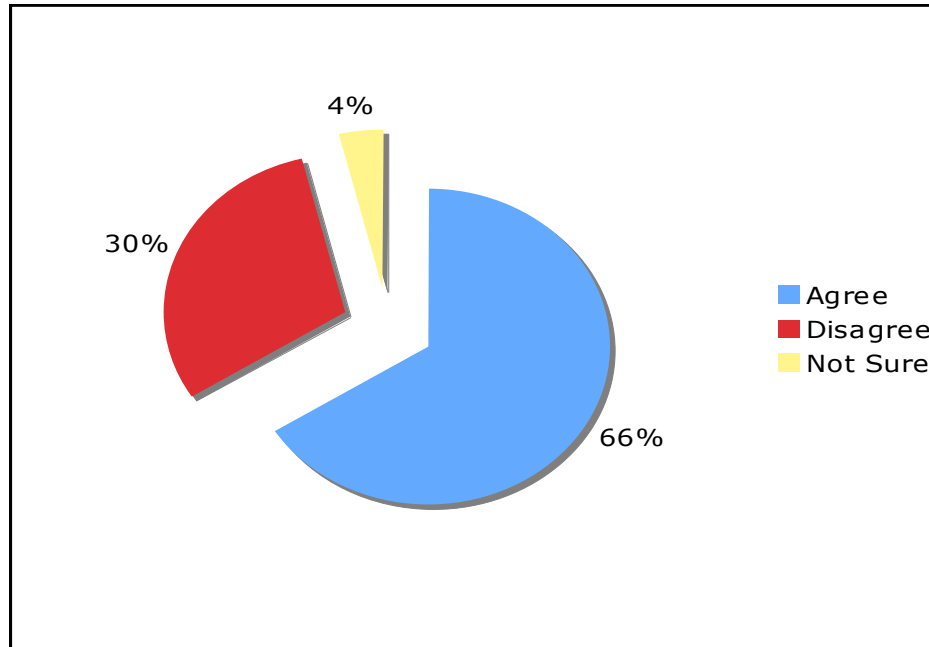


## **ANALYSIS OF ANEXURE A**

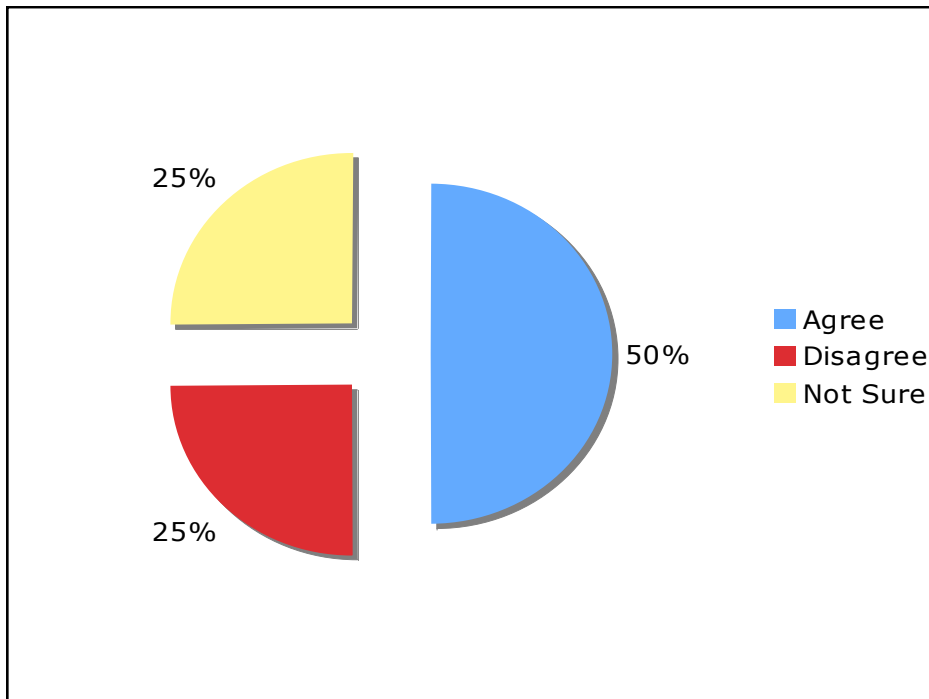
- More People say that they notice the products in cinema, which is good for a marketer.
- And they like this type of marketing strategy.
- They do not agree that it is interrupting stuff in movie.
- They do not agree that it is a emotional marketing and it does not affect their marketing decision.

## ANEXURE B (CHECK PRODUCT VALUE)

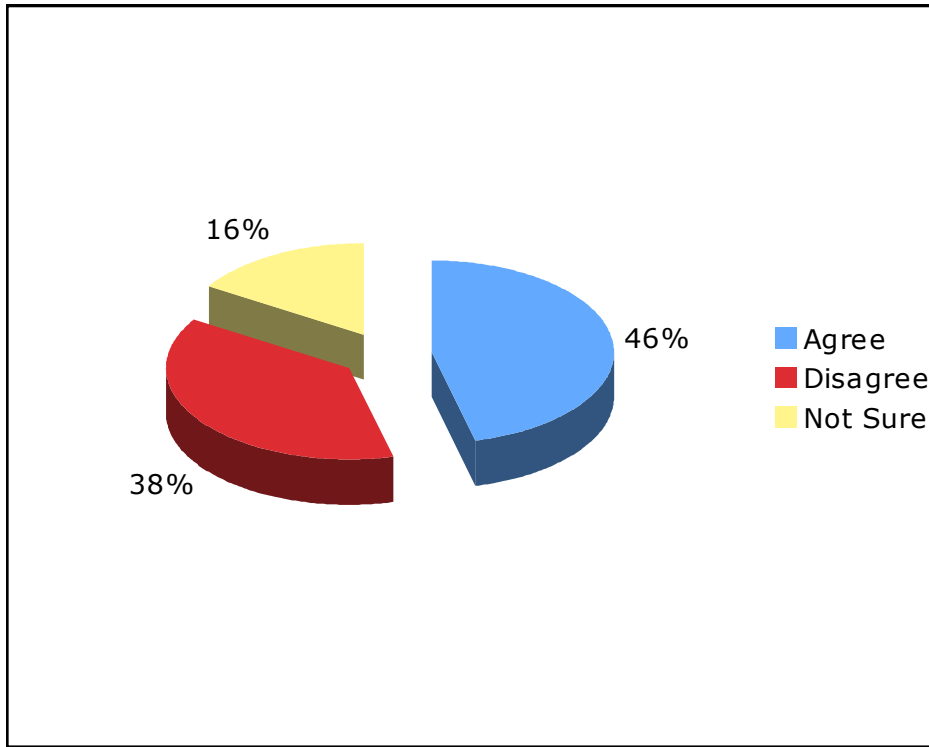
1) Is it indirect way to build brand awareness?



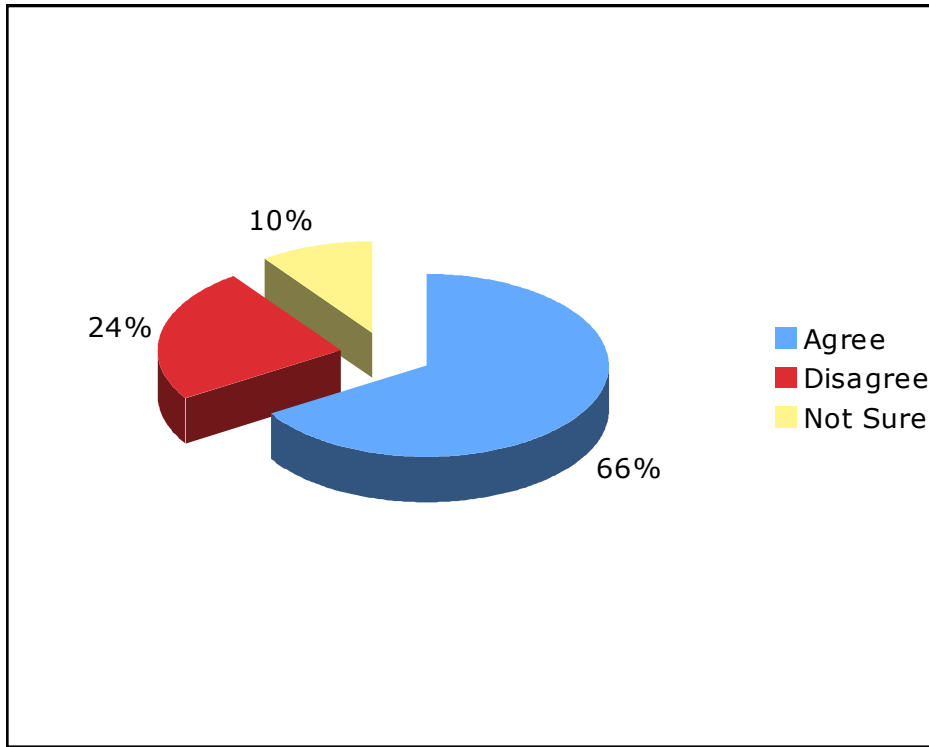
**2) Do you get influence by the brand/product?**



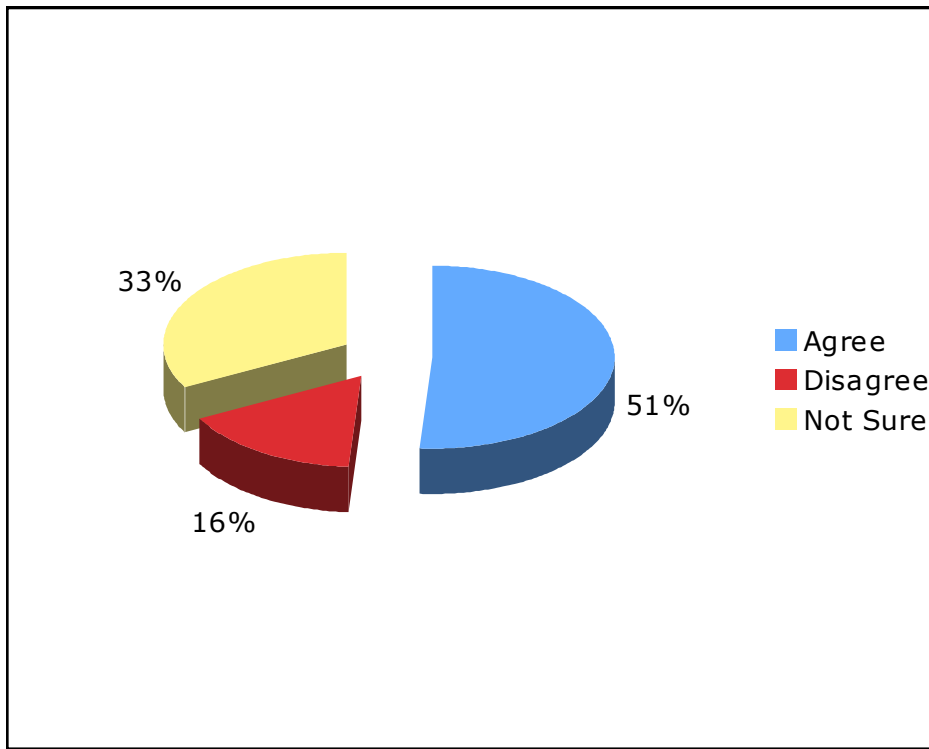
### 3) Does it affect your purchasing power?



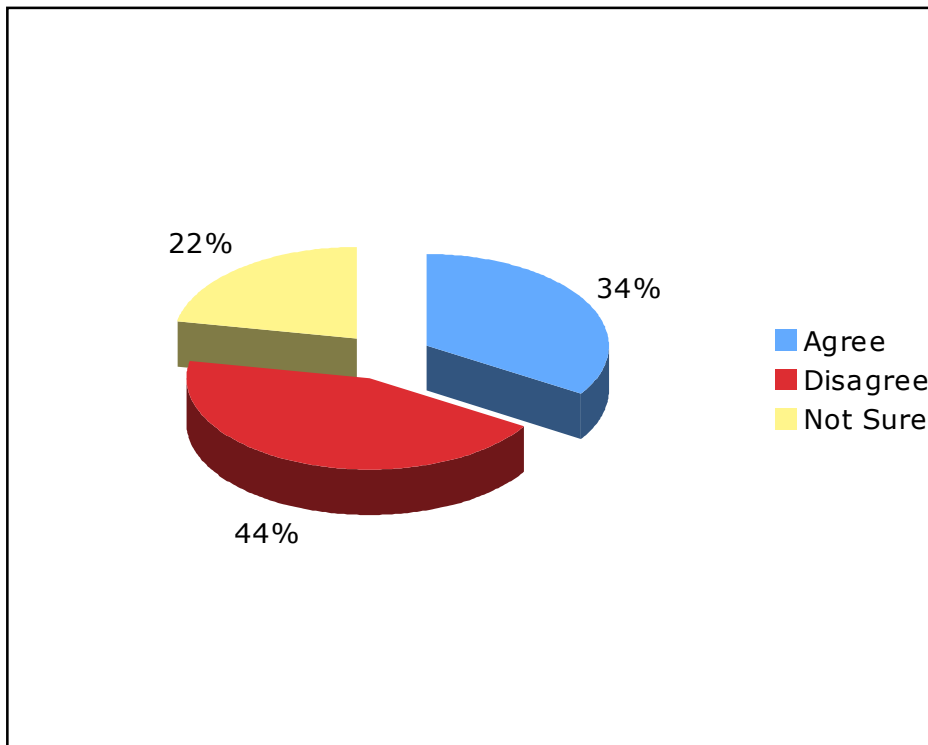
**4) Is money a concern in buying those brands?**



**5). Do you like your role model with a brand cinema?**



6) Does it motivate you to become conscious towards that Brand/  
Products?





## **ANALYSIS OF ANNEXURE B**

- People are agreeing that it builds their brand awareness.
- Also it motivates them to become brand conscious.
- But they agree that money is also a concern to them while buying these brands.
- They want to see their role model in a brand. And it influences them towards those products.

## ANEXURE C

### (ACCEPTIBILITY TEST BY PRODUCT MARKETING THROUGH CINEMA)

S.N.	Products	% Acceptability		% Unacceptability	
		Male	Female	MALE	Female
	Branded				
1	ALCOHOL	77.27%	22.72%	53.57%	46.42%
2	CIGARETTE	64%	36%	64%	36%
3	WEAPONS	76.19%	23.80%	80%	20%
4	CAMERAS	71.42%	28.57%	73.33%	26.66%
5	AUTOMOBILE	74.35%	25.64%	63.63%	36.36%
6	JUNK FOOD	65.71%	34.28%	86.66%	13.33%
7	H.C.P.	65.78	34.21%	91.66%	8.33%
8	SNACKS	66.66%	33.33%	85.71%	14.28%
9	SOFT DRINKS	68.29%	31.70%	88.88%	11.11%
10	STREO EQUIPMENT	63.15%	36.84%	100%	0%
11	GARMENTS	76.47%	23.52%	62.5%	37.5%

**Male-36    Female- 14**

## **ANALYSIS**

- Male are more acceptable ethically charged products (alcohol, cigarettes, weapons) than female.
- Women are more conscious about health products.
- Garments and automobile is more popular than other products.

# **CHAPTER-6**

## **FINDING**

## **FINDING**

- 1) More people are agreeing that they notice the products in cinema.
- 2) People want to see their role model in a brand because it influences them.
- 3) People are agreeing that it increases their awareness about the brands.
- 4) Many of people believe that it is a best marketing strategy.
- 5) Young people are more inclined towards this marketing.
- 6) Maximum audience agree that money is a big concern while buying these products.

# **CHAPTER-7**

# **RECOMMENDATION**

## **RECOMMENDATION**

- 1) Placement of product should be improved.
- 2) Prices of brand should be reduced.
- 3) Movie should be released in maximum number of cities because maximum number of cities means maximum number of exposure of products.
- 4) Female are least interested in ethically charged product, so, its frequency should be reduced.
- 5) Frequency of advertisement of product should be decreased because people come to see a movie not an advertisement.
- 6) Marketer should give some offer to the audiences for that particular brand/product.

## ANNEXURE

Name .....

Gender  M  F

Age:  15-25  25-40  40-55

Q1. Frequency of watching a particular movie?

Once  Twice  More than twice

### Annexure A (Product Placement in cinema)

SN.	Questions	Yes	No	Can't say
1.	Do you notice the marketing of product in cinema			
2.	Do you like this marketing tactics of marketer			
3.	Is it interrupting stuff in watching cinema			
4.	Do you agree it is effective marketing tool			
5.	Is it emotional marketing			
6.	Does it influence your marketing decision			



**Annexure B (Check the product value)**

<b>SN.</b>	<b>Questions</b>	<b>Agree</b>	<b>Disagree</b>	<b>Not sure</b>
<b>1.</b>	Is it indirect way to build brand awareness			
<b>2.</b>	Do you get influence by the brand/product			
<b>3.</b>	Does it affect your purchasing power			
<b>4.</b>	Is Money a concern in buying those brands			
<b>5.</b>	Do you like your role model with a brand in cinema			
<b>6.</b>	Does it motivate you to become conscious towards that brand/product			

**Annexure C**

**(Acceptability test by products marketing through cinema)**

<b>SN.</b>	<b>Products(Brands)</b>	<b>Acceptable</b>	<b>Unacceptable</b>
<b>1.</b>	Alcohol		
<b>2.</b>	Cigarettes		
<b>3.</b>	Weapons		
<b>4.</b>	Cameras		
<b>5.</b>	Automobile		
<b>6.</b>	Junk food		
<b>7.</b>	Health Consumer Products		
<b>8.</b>	Snacks		
<b>9.</b>	Soft Drinks		
<b>10.</b>	Stereo Equipments		
<b>11.</b>	Garments		

**Q2. “Effect of Bollywood cinema in marketing of a product”**

**Your comments**

**please.....**  
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**Thanks for Your valuable inputs.....**

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