

Chapter 11

Reconfiguration of the Indian Film Industry During the COVID–19 Pandemic: The Enablers and the Impeders

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ABSTRACT

The Indian film industry has consistently performed well across years and has emerged as the largest in the world in terms of the number of movies it produces annually. However, the year 2020 presented a crude shock to the prospects and promises of the industry. The catastrophic effect of the pandemic in the year 2020 led to the drop in the global box office by as much as 72% with a mere \$12 billion collections across the world in the form of ticket sales. To understand the factors facilitating the Indian film industry to go beyond theatres during the pandemic and to explore the key challenges faced by the industry in light of its advancement, secondary data was collected from available publications, industry reports, and official websites of various bodies. The chapter aims at exploring the factors which contribute to the recent trends of the Indian film industry, attempts to identify the new and emerging challenges that plague its growth and how this transition can speed the recovery of Indian film industry as this would provide ample input to the various stakeholders of the industry.

INTRODUCTION

Entertainment Industry is a lucrative business market and the total annual spending across the globe on this industry is about one trillion dollars. (Vogel, H.L, 2020). The size of this multi-billion dollar economy overtakes the annual domestic gross product of several countries. In addition, its impact on the

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society at large as a change agent by creating awareness and acceptance can never be denied. (Mehraj, H. K., et al, 2014)

Global movie box office revenue reached a record of 42.5 billion dollars in 2019 with theatrical, home, and mobile entertainment combined; it has topped 100 billion dollars. The total cinema screens surpassed 200,000 in 2019, due to the 12% increase in the Asia Pacific region.

The year 2020 presented a rude shock to the prospects and promises of the Industry. The Pandemic jolted the world and the business of cinema crumbled under pressure. The streaming services in theatres had to be closed for the first time in the history. Indian Film industry, the second largest in the World faced the brutal impacts of the pandemic as like any other industries but managed to balance it effectively taking the hard lessons. Digital media came handy as an alternative platform to reach the potential customers at a rapid pace with a wider audience.

The chapter aims at exploring the factors which contribute to the recent trends of Indian film Industry due to the Pandemic including the home and mobile entertainment to add to its revenue base, attempts to identify the new and emerging challenges which plague its growth and how this transition can speed the recovery of Indian film Industry as this would provide ample inputs to the various stakeholders of the industry.

BACKDROP OF THE INDIAN FILM INDUSTRY

The catastrophic effect of the Pandemic in the year 2020 lead to the drop in the global box office by as much as 72% with a mere 12\$ billion collection across the world in the form of ticket sales (2020 Theme Report- Motion Picture Association)

Indian film Industry's origin dates back to nineteenth century with the first film being made in 1913 by Dadasaheb Phalke, acclaimed as the father of Indian cinema (Selvalakshmi et al, 2019) With the phenomenal growth of the industry since then, the industry evolved as a global enterprise with established markets in well over 90 countries and has been respected more for its business than Art. Indian film industry serves as the world's second movie capital next only to Hollywood with South Indian film industry comprising of Tamil, Telugu, Malayalam and Kannada accounting for more than 50% of the films produced (Murthy, 2013). Block buster movies such as Dangal and Bahubali II released in the year 2017 had successfully garnered a turnover of \$15 billion, all across the world and running forward towards achieving record \$20 billion. The Industry has been acknowledged for its diversity by reputed Hollywood directors (Murthy, 2015) and has gained the confidence across years in the world market that it can no longer be treated as marginal. (Raju, 2016)

The industry turnover crossed \$1.2 billion in 2010, hovered around \$2 billion in 2015 and is projected to grow steadily to \$2.8 billion by 2020 (FICCI KPMG Report, 2017) While the revenue from the global movie box office was hovering around 42.5 billion dollars in 2019, Indian film Industry crossed its 10,000 crore (100 billion dollars) mark seeing a growth of 11.6% overtaking the previous year¹. Due to the devastating effect of the pandemic, the year 2020, the industry turnover managed to close at \$2.5 billion and has seen a turnover of \$8.3 billion in 2021 (Statistica, 2021)

As a measure of coping up with the missed opportunities, the Industry went beyond theatres and included home and mobile entertainment to add to its revenue base. The Indian film industry benchmarks with Hollywood shows which have joined with Netflix and other OTT platforms transferring content via the internet for smooth and undeterred distribution of movies. The efforts are well received in the

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