CHAPTER 1: INTRODUCTION
1.1 IMPORTANCE AND SIGNIFICANCE OF THE STUDY

1.1.1 BACKGROUND TO THE TOPIC

The entertainment industry is one of the fastest growing sectors of the Indian economy. It is riding high on the economic growth and rising income levels that India has been experiencing in the past few years. Over the last decade, India has registered the fastest growth among the democracies in the world and is now the fourth largest economy in terms of ‘Purchasing power parity’. According to the widely discussed Goldman Sach report of October 2003, over the next 50 years, Brazil, Russia, India and China—the BRIC countries could become a larger force in the world economy.’ India could emerge as the world’s third largest economy and of these four countries, ‘India has the potential to show the fastest growth over the next 30 to 50 years’. The rising incomes may also see these economies to witness significant changing spending patterns. Naturally, when income rises, proportionately more resources get spent on leisure and entertainment rather than on necessities. According to the NASSCOM-MCKINSEY study there is significant growth expected in the IT enabled industry and the Indian software which would create job creation, thereby providing a further fillip to leisure spending. The entertainment industry is growing fast due to the rising incomes of middle class of the society, representing huge spending on mobile gadgets, television, music systems and similar goods. The growth of Mall culture and Multiplexes experience has created a significant positioning in the Indian consumers, mostly urban in relation to spending patterns. The Indian economy is on the fast track and its 100 crore population gives it an economic potential which is hard to ignore.

The Indian entertainment industry is a major component of the services sector of the Indian economy. It has various segments within itself such as:

- The Indian Film industry
- The Indian Television industry
- The Indian Music industry
- The Indian Radio industry
- Entertainment and amusement parks
- Visual effects and Animation
- Live entertainment and Event management, etc

In the above segments of the Indian entertainment industry, there is one segment which has a profound influence on all the other segments. It is the Indian film industry, which is an integral part of the Indian socio economic psyche and the most popular form of entertainment in the country. The film industry has an influence on various facets of Indian society including social mores and norms, sartorial styles, personality traits and even political governance. Film personalities are worshipped like Gods and Goddess in few states of India and we even find temples dedicated to them, such is the craze of film culture on Indians. Film and film based entertainment have a significant impact on the Indian consumer’s mindshare. In the Indian film industry we find a huge variety of linguistic
dimensions, such as Hindi mainstream popularly referred as Bollywood and the regional cinema such as Malayalam films, Tamil films, Bengali films, Telegu films, Kannada films, Bhojpuri films, Marathi films Guajarati, Punjabi, Oriya, Assamese etc

The film making business started with the 8 m.m film, later on to the 16m.m and to the 35 m.m and finally to the 70m.m films. We also had video cassettes and also VCD and DVD media. The latest is the digital media which has revolutionized the film sector. The film industry has produced more than 67,000 films in more than 30 different languages and dialects. Mainstream commercial releases, however, continue to dominate the market, and not only in India, but wherever Indian cinema has a large following, whether in much of the British Caribbean, Fiji, East and South Africa, the U.K., United States, Canada, or the Middle East. The number of movies produced in India is the largest in the world

1.1.2 MARATHI FILM INDUSTRY

The Marathi film industry is a crucial industry for the people of Maharashtra on the basis of cultural and social parameters. The industry has lots of relevance for the survival of the linguistic identity of the state of Maharashtra and the Marathi language. The business derived from the efforts of production of a film to its exhibition also assumes critical significance for many stakeholders today. The thought behind the research work undertaken is to find ways and means from a managerial perspective to create a winning formula for all the stakeholders in the Marathi film value chain.

The Marathi film industry has seen many ups and downs in the past few decades. The reasons for the decline and the rising have been many and it is crucial to study them in order to predict the future in a positive way. The Marathi film industry is based in Mumbai and has Bollywood as the main competitor in terms of allocation of resources, thus the right kind if strategic formulation is vital for the industry to sustain the competition. The study aims at finding the reasons for many unanswered questions affecting the Marathi film industry.

The importance for the study is to find out the reasons behind the lack of consumers participation in the Marathi film business and to understand the reasons for the decline and the resurgence of the Marathi film industry which has shown a cyclical movement in the last few decades. Since the language component has acquired political significance in the last few years it is very important to find out the best possible options to effectively maintain the importance of the language as a medium for better commercial prospects.

The significance of the study is very critical for various components in the value chain of the Marathi film business. The consumers would be highly benefited if they get the ideal product and service in the offering of a Marathi movie with all the ingredients of a perfect marketing mix. The audience interest in a Marathi movie would be the criteria for business opportunities in different forms of business in the media industry. The producers of Marathi films have a lot to gain from the study since they are the drivers in the production process.

The producers invest lots of money and it’s crucial for them to recover the money put and
also earn profits from the endevour. The distributors are the vehicles of the delivery process from the producers to the consumers. Their survival depends on the profitability they achieve from the Marathi film business since they are in competition with Hindi films and other regional films for the distribution space in the city of Mumbai and other places of strategic interest.

The exhibitors are the final destination for the visual experience for the consumers. Today we find the transition happening from the single screens to the multiplexes in Mumbai. The study has unique importance for the single screens in terms of their survival today in Mumbai city. The multiplexes also need to have compliance with the government decisions on the showcasing of Marathi cinema which has statutory binding. There are also orders from the judiciary which need to be followed in letter and spirit. This study is thus very important for the various stakeholders in the Marathi film business.

1.1.3 OBJECTIVES AND PURPOSE OF THE RESEARCH

The Marathi film industry has found itself in a peculiar situation where we find a revival of fortunes for the Marathi film industry in terms of huge releases and a problem of very low success rate. The average films which have been released by the censor board have been in the range of 70 to 90 Marathi films per year while the successful Marathi films in terms of revenue collections have been around 4 to 5 per year. Most of the films have incurred losses and have created a phenomenon of one film or two film producers. This is not good for the industry for survival in the long run.

A. To analyze and to do a in-depth analysis of Marathi movie market recent times

In the last few years we have seen that despite the release of many Marathi films in Mumbai city, there have been fewer turnouts of the Cine goers in the theaters making the release not profitable enough for all the stakeholders in value chain for the Marathi film industry. One of the objectives of the study has been to find out why this has been happening in Mumbai despite the fact that there has been massive support from the government of Maharashtra.

The collections have been pretty dismal at all locations in Mumbai for most of the Marathi films except few. The performance of the Marathi films has been very poor in the multiplexes in Mumbai. There have been demands from the multiplex owners to the government to not force them to show Marathi films due to their low return figures. The situation needs lot of attention since the government of Maharashtra has been following the High court order in letter and spirit in the interest of preserving the Marathi cinema thereby the Marathi culture.
B. To critically study the resurgence of Marathi films in recent years

We have been witnessing a strong resurgence of Marathi cinema in the last few years. The reasons have been the critical acclaim received by few Marathi films in recent times creating a confident atmosphere for the producers, distributors and the exhibitors. The strong sentiments of pride in the Marathi language with the political and social dimensions attached to it have made a positive impact. This situation should be utilized for the maximum and a Marathi film industry needs to create on the lines of the south film industries like the Tamil industry or the Telegu film industry which are very powerful. The resurgence of the Marathi film industry has been dramatic considering the fact that the Marathi industry was facing depressive trends in the 1980’s and 1990’s.

We find during that time so many problems thereby affecting the overall quality of the Marathi movies. The Marathi film industry lost consumer loyalty since the quality was not good enough. This phase was responsible to create an image that showed the Marathi films in poor light thus forcing many talented people in the industry to migrate to more lucrative destinations. The industry lost its credibility due to lack of professionalism and trust.

The new lease of fresh air came when the movies ‘Shwaas’ was released in the year 2000 and nominated for the Oscars. The nomination of the Marathi movie for the Oscars in the best foreign film category gave the needed confidence to Marathi filmmakers to rejuvenate. The consumer confidence which was eroded due to a bad patch was reignited and the consumers felt a happy factor to again watch the Marathi films.

We find the overall media giving lot of critical acclaim to the movie boosting the status of not one movie but of the entire industry. The other Marathi film makers realized that if the venture comprising of multiple producers can succeed then it was surely they have a chance to prove themselves in the field of creativity and commerce. The success of the film gave Marathi films the entry in to the multiplexes arena which was till then only reserved for Hindi film business.

C. To determine the factors contributing for viewership of Marathi cinema

One of the main objectives of the study is to find the consumer behavior of the audience of Marathi films in the city of Mumbai. The various genres of Marathi films the people are interested. The different kinds of subjects they are interested or would be interested in the future. The impact of advertising of Marathi films on the audience and the effect on their purchase behavior due to the advertising.

What is the role of the various media forms for the promotion of the Marathi films? Which form of media is most effective in nature in terms of cost effectiveness? What are the tastes and aspirations of the Marathi film going audience? The pricing factor is a crucial component to understand the pricing strategies of Marathi films and the spending capacity.
of the audience to invest in a Marathi film at present and also his aspiration level in terms of future purchase.

One important component of the study is to find out who accompanies the cinegoers for a visual experience? With whom does he prefer to go in terms of family or friends or goes for a movie alone? It’s also important to know the frequency of the visual experience in the theater which would decide of the turnover for a Marathi films on the basis of time factor.

D. To understand the marketing process of a Marathi film, right from its concept stage to the exhibition stage, focusing on the trend of distribution and exhibition

The Marathi film industry follows the same managerial process like the other film industries like Hollywood, Bollywood etc. The marketing process is the key to the commercial success of a Marathi film. The objective of the research work is to find the way the Industry functions from the production stage to the exhibition stage and what all are the positive and the negative factors are involved in it.

E. To study the reasons behind the low success rate of Marathi films in recent times

The Marathi film industry, just like the Hindi film industry does not give enough importance to marketing. Depending on the total budget of the film the overall budget for marketing activity is decided. As per Industry sources, between 2004 and 2009 the Marathi film industry spent only around Rs.18.5 crores on film and music promotions. While a producer invests 20 to 25 percent of the total production budget on marketing and promotions, which should actually have been Rs 48 crores. Much remains to be done in terms of marketing to realize their full potential. For the longest time, Marathi producers have been inconsequential in the marketing of films to consumers.

As a result, a number of good films like ‘Harishchandrachi Factory’ and ‘Mee Shivajiraje Bhosle Boltoy’ etc due to low-profile marketing failed to pull audiences to theatres even though they were much stronger in content as compared to other Hindi movies running in the theatres at that time. Later, it was only through word of mouth that the movie got a response. Yet, there have been instances of average films doing well because of the smart marketing strategies employed by its producers and distributors just before the release of films. It is a proven fact that good marketing can even make a mediocre film do well commercially. The objective of the research work is to find the correlation between marketing efforts and success of a Marathi movie.
1.1.4 FORMULATION OF HYPOTHESIS

- Marathi films as an entertainment package lacks the attributes of an ideal product mix.
- The pricing strategies negotiation with the distributors and others concerned in the marketing channel are not competitive and lack professional approach and expertise.
- The promotion strategies adopted by the producers and distributors do not have essential impact on the cinegoers in Mumbai and elsewhere.
- The distribution of Marathi films is ineffective and lacks supply chain marketing considerations.
- The marketing and promotional budgets of Marathi films lack effective marketing promotional planning and strategy.
- The market share and profitability of Marathi films as compared to other regional cinema is low.

1.1.5 LIMITATIONS TO THE STUDY

A limitation for the research work is the extent of the trying to find a commonality in the study of so many Marathi films and relate it to cinegoers feedback at a given point of time. The other limitation is to confine the work only to one city and try to find the real reasons for the consumer understanding towards Marathi films which might be difficult. The geographical extent of Mumbai city with its varied nature is also a limitation in order to study the topic.
1.2 CINEMA AS A MEDIUM OF ENTERTAINMENT

The Indian entertainment industry is a subject of national pride, international interest and media hype. The expenditure on entertainment is discretionary and largely dependent on the socio-economic environment of the country. Globally, the total spent on entertainment amounts to half a trillion dollars; however they spend differs significantly across countries. The Indian economy is on the fast track and a 100 crore population gives it an economic potential that is hard to ignore.

Entertainment is always seen as a major source for leisure, relaxation and information. Improved living standard translates into higher needs for leisure and entertainment. It is also an established fact that entertainment is generally recession proof. The Indian Entertainment industry, which primarily consists of film software, distribution and exhibition, television software and broadcasting, music, radio, is one of India’s oldest and prominent industries.

Entertainment consists of any activity which provides a diversion or permits people to amuse themselves in their leisure time. Entertainment is generally passive, such as watching opera or movie. Active forms of amusement, such as recreations or sports, are more often considered to be recreation. Activities such as personal reading or practicing a musical instrument are considered to be hobbies.

Entertainment also provides a lot of fun, enjoyment, laughter. The industry that provides entertainment is called the entertainment industry. There are many forms of entertainment for example: cinema, theatre, sports, games and social dance. Puppets, clowns, pantomimes and cartoons tend to appeal to children, though adults may also find them enjoyable.

A film, also called a movie or motion picture, is a story conveyed with moving images. It is produced by recording photographic images with cameras, or by creating images using animation techniques or visual effects. The process of filmmaking has developed into an art form and industry.

Films are cultural artifacts created by specific cultures, which reflect those cultures, and, in turn, affect them. Film is considered to be an important art form, a source of popular entertainment and a powerful method for educating or indoctrinating citizens. The visual elements of cinema give motion pictures a universal power of communication. Some films have become popular worldwide attractions by using dubbing or subtitles that translate the dialogue into the language of the viewer.

Films are made up of a series of individual images called frames. When these images are shown rapidly in succession, a viewer has the illusion that motion is occurring. The viewer cannot see the flickering between frames due to an effect known as persistence of vision.
whereby the eye retains a visual image for a fraction of a second after the source has been removed. Viewers perceive motion due to a psychological effect called beta movement.

The origin of the name "film" comes from the fact that photographic film (also called film stock) has historically been the primary medium for recording and displaying motion pictures. Many other terms exist for an individual motion picture, including picture, picture show, moving picture, photo-play and flick. A common name for film in the United States is movie, while in Europe the term cinema or film is preferred. Additional terms for the field in general include the big screen, the silver screen, the cinema and the movies.

Preceding film by thousands of years, plays and dances had elements common to film: scripts, sets, costumes, production, direction, actors, audiences, storyboards, and scores. Much terminology later used in film theory and criticism applied, such as ‘mise en scene’ (roughly, the entire visual picture at any one time). Moving visual and aural images were not recorded for replaying as in film.

Anthemius of Tralles used an early type of camera obscura in the 6th century the camera obscura was further described by Alhazen in his Book of Optics (1021), and later near the year 1600, it was perfected by Giambattista Della Porta. Light is inverted through a small hole or lens from outside, and projected onto a surface or screen, creating a moving image, but it is not preserved in a recording.

In the 1860s, mechanisms for producing two-dimensional drawings in motion were demonstrated with devices such as the zoetrope, mutoscope and praxinoscope. These machines were outgrowths of simple optical devices (such as magic lanterns) and would display sequences of still pictures at sufficient speed for the images on the pictures to appear to be moving, a phenomenon called persistence of vision. Naturally the images needed to be carefully designed to achieve the desired effect, and the underlying principle became the basis for the development of film animation.

With the development of celluloid film for still photography, it became possible to directly capture objects in motion in real time. An 1878 experiment by English photographer Eadweard Muybridge in the United States using 24 cameras produced a series of stereoscopic images of a galloping horse, is arguably the first "motion picture," though it was not called by this name. This technology required a person to look into a viewing machine to see the pictures which were separate paper prints attached to a drum turned by a handcrank. The pictures were shown at a variable speed of about 5 to 10 pictures per second, depending on how rapidly the crank was turned. Commercial versions of these machines were coin operated.

By the 1880s the development of the motion picture camera allowed the individual component images to be captured and stored on a single reel, and led quickly to the development of a motion picture projector to shine light through the processed and printed film and magnify these "moving picture shows" onto a screen for an entire audience. These reels, so exhibited, came to be known as "motion pictures".
Early motion pictures were static shots that showed an event or action with no editing or other cinematic techniques.

Ignoring Dickson's early sound experiments (1894), commercial motion pictures were purely visual art through the late 19th century, but these innovative silent films had gained a hold on the public imagination. Around the turn of the 20th century, films began developing a narrative structure by stringing scenes together to tell narratives. The scenes were later broken up into multiple shots of varying sizes and angles. Other techniques such as camera movement were realized as effective ways to portray a story on film. Rather than leave the audience in silence, theater owners would hire a pianist or organist or a full orchestra to play music fitting the mood of the film at any given moment. By the early 1920s, most films came with a prepared list of sheet music for this purpose, with complete film scores being composed for major productions.

The rise of European cinema was interrupted by the outbreak of World War I when the film industry in United States flourished with the rise of Hollywood, typified most prominently by the great innovative work of D.W. Griffith in *The Birth of a Nation* (1914) and *Intolerance* (1916).

However in the 1920s, European filmmakers such as Sergei Eisenstein, F. W. Murnau, and Fritz Lang, in many ways inspired by the meteoric war-time progress of film through Griffith, along with the contributions of Charles Chaplin, Buster Keaton and others, quickly caught up with American film-making and continued to further advance the medium. In the 1920s, new technology allowed filmmakers to attach to each film a soundtrack of speech, music and sound effects synchronized with the action on the screen. These sound films were initially distinguished by calling them "talking pictures", or talkies.

The next major step in the development of cinema was the introduction of so-called "natural" color. While the addition of sound quickly eclipsed silent film and theater musicians, color was adopted more gradually as methods evolved making it more practical and cost effective to produce "natural color" films.

The public was relatively indifferent to color photography as opposed to black-and-white, but as color processes improved and became as affordable as black-and-white film, more and more movies were filmed in color after the end of World War II, as the industry in America came to view color as essential to attracting audiences in its competition with television, which remained a black-and-white medium until the mid-1960s. By the end of the 1960s, color had become the norm for film makers.

Since the decline of the studio system in the 1960s, the succeeding decades saw changes in the production and style of film. Various new wave movements (including the French New Wave, Indian New Wave, Japanese New Wave and New Hollywood) and the rise of film school educated independent filmmakers were all part of the changes the medium experienced in the latter half of the 20th century. Digital technology has been the driving force in change throughout the 1990s and into the 2000s.
1.3 THE SERVICES SECTOR

The Service industries involve the provision of services to businesses as well as final consumers. Such, therefore, include accounting, tradesmanship (like mechanic or plumber services), computer services, restaurants, tourism, etc. A Service Industry is one where no goods are produced whereas primary industries are those that extract minerals, oil etc. from the ground and secondary industries are those that manufacture products, including builders, but not remodelling contractors.

The tertiary sector of the economy (also known as the service sector or the service industry) is one of the three economic sectors, the others being the secondary sector (approximately manufacturing) and the primary sector (extraction such as mining, agriculture and fishing). The general definition of the tertiary sector is producing a service instead of just an end product, in the case of the secondary sector. Sometimes an additional sector, the "quaternary sector", is defined for the sharing of information (which normally belongs to the tertiary sector).

Increasingly service sector businesses need to focus on this idea of the “knowledge economy”. They need to keep ahead of competitors by understanding what it is their customers want and be in a position to deliver this quickly and efficiently. It’s an industry in that part of the economy that creates services rather than tangible objects. Economists divide all economic activity into two broad categories, goods and services. Goods-producing industries are agriculture, mining, manufacturing, and construction; each of them creates some kind of tangible object. Service industries include everything else: banking, communications, wholesale and retail trade, all professional services such as engineering, computer software development, and medicine, non-profit economic activity, all consumer services, and all government services, including defence and administration of justice. A services-dominated economy is characteristic of developed countries. In less-developed countries most people are employed in primary activities such as agriculture and mining.

The simplest explanation for the growth of service industries is that goods production has become increasingly mechanized. Because machines allow a smaller workforce to produce more tangible goods, the service functions of distribution, management, finance, and sales become relatively more important. Growth in the service sector also results from a large increase in government employment.

Service industry can be classified into various types, government offers services like hospitals, schools, police, postal, transport, bank and insurance etc, similarly private sector also offers various services like banks, insurance, telecommunication, internet, hotels and restaurants, medical and law etc in a similar manner non-profit organizations also offer their services like social welfare, self help groups, charity, colleges and schools etc. Service organizations can be large or small but they have some special and unique characteristic therefore requires unique and special marketing efforts to be undertaken.
1.3.1 CHARACTERISTICS OF SERVICES

Haircut, concerts, medical, banking, insurance, travelling, car repairing and other activities come in the category of service and they all are purchased from the market. Companies engaged in providing these services are called service organizations. These companies have to keep in their mind before determining the marketing plan the following nature and scope of a service.

1. **Intangibility:-** Services are intangible i.e. they do not have any physical existence, body, mass or weight, they cannot be touched or even felt before they are bought. For example a person getting his car serviced cannot see the performance of his car before getting serviced; he could feel the better performance only after the service has been done. Similarly a person availing the facility of railways cannot touch or see the transportation; he will be getting the result only when he or she has reached the destination.

2. **Inseparability: -** Services cannot be separated from their providers or people who are engaged in delivering the service therefore they are inseparable. Services are typically produced and consumed simultaneously while physical goods are manufactured, stored, and then distributed through various channels to be consumed later. In case of service the service provider and customers both are present simultaneously at delivery and consumption of service; therefore provider and customer interaction is one of the important aspects of service marketing.

3. **Variability: -** Services are variable because service offering varies according to the provider; their quality depends upon the provider and varies from provider to provider, for instance you may have heard people saying that X person in that barber shop is a good hairdresser and Y is not.

4. **Perishability: -** Services are perishable because they cannot be stored for later use or sale; they are created and used simultaneously. For example a bank transaction cannot be created earlier for a customer and then delivered later; a transaction has to be created and delivered simultaneously when asked or demanded by the customer. During rush hours banks need more human resource than during non peak hours to meet demand because of their perishable nature; otherwise they would have been created at non rush hours and used during rush hours.
1.3.2 SERVICE INDUSTRY IN INDIA

Service Sector in India today accounts for more than half of India's GDP. According to data for the financial year 2006-2007, the share of services, industry, and agriculture in India's GDP is 55.1 per cent, 26.4 per cent, and 18.5 per cent respectively. The fact that the service sector now accounts for more than half the GDP, marks a watershed in the evolution of the Indian economy.

There was marked acceleration in services sector growth in the eighties and nineties, especially in the nineties. While the share of services in India's GDP increased by 21 per cent points in the 50 years between 1950 and 2000, nearly 40 per cent of that increase was concentrated in the nineties. While almost all service sectors participated in this boom, growth was fastest in communications, banking, hotels and restaurants, community services, trade and business services. One of the reasons for the sudden growth in the services sector in India in the nineties was the liberalization in the regulatory framework that gave rise to innovation and higher exports from the services sector.

The boom in the services sector has been relatively "jobless". The rise in services share in GDP has not accompanied by proportionate increase in the sector's share of national employment. Some economists have also cautioned that service sector growth must be supported by proportionate growth of the industrial sector; otherwise the service sector grown will not be sustainable. In the current economic scenario it looks that the boom in the services sector is here to stay as India is fast emerging as global services hub.

Service sector is the lifeline for the social economic growth of a country. It is today the largest and fastest growing sector globally contributing more to the global output and employing more people than any other sector. The real reason for the growth of the service sector is due to the increase in urbanization, privatization and more demand for intermediate and final consumer services. Availability of quality services is vital for the well being of the economy. In advanced economies the growth in the primary and secondary sectors are directly dependent on the growth of services like banking, insurance, trade, commerce, entertainment etc.

In alignment with the global trends, Indian service sector has witnessed a major boom and is one of the major contributors to both employment and national income in recent times. The activities under the purview of the service sector are quite diverse. Trading, transportation and communication, financial, real estate and business services, community, social and personal services come within the gambit of the service industry.

One of the key service industries in India would be health and education. They are vital for the country’s economic stability. A robust healthcare system helps to create a strong and diligent human capital, who in turn can contribute productively to the nation’s growth.
1.4 INDIAN MARKET SCENARIO POST LIBERALISATION

A. ORGANISED RETAIL IN INDIA
In the last 5-7 years we have witnessed a significant growth in organized retail in India. Favourable demographics, rising consumer incomes, real estate developments especially with emergence of new shopping malls, availability of better sourcing options both from within India and overseas, and changing lifestyles bring the Indian consumer closer to the consumers in more developed markets.

Figure: 1.1 CONSUMPTION OF LIFESTYLE ITEMS
INCREASED CONSUMPTION LEVELS OF INDIAN CONSUMERS

Over the last few years, there has been a rise in the overall consumption levels of Indian consumers. The key reasons for this growth in consumption are: (1) The great Indian Middle Class (2) Lower Liquidity Constraints and (3) Favourable demographics are creating a new consumer class (4) Changing lifestyles

A1. The great Indian Middle Class

The lower income bracket household has fallen by 13.5% between 2001 & 2006. Households with an annual income of over INR 500,000 will almost double during the same period as shown in the table below.

Table: 1.1 THE PERCENTAGE OF URBAN HOUSEHOLDS IN INDIA

Increasing household incomes has led to a substantial change in the profile of the Indian consumer. In the table provided below the profile of the ‘Climbers’, ‘Consuming’ and ‘Very Rich’ consumers class is biased towards self-indulgent consumption patterns. It is projected that by 2010, these segments would be over 170 million households as compared to 124 million in 2000 and would constitute about 86% of the population against 69% in 2000.
A2. Lower Liquidity Constraints

Borrowing constraints have substantially reduced with consumer finance companies becoming aggressive lenders. Indian consumers, who were forced to save earlier if they wanted to make large purchases such as consumer durables and houses, are now borrowing to make these purchases. A lower gap between deposit and lending rates and lower interest rates has had a significant impact on consumption in economies like Taiwan and Thailand. In India too, these indicators are pointing towards an increasing consumption scenario.

TABLE: 1.2 CONSUMPTION SCENARIOS IN INDIA

A3. Favourable demographics are creating a new consumer class

Nearly two-third of India’s one billion plus population is below 35 years of age, making it one of the youngest nations in the world on a sizeable base. The median age in India is about 24 years as compared to 35 years in the United States, 41 years in Japan, and 30 years in China.

**TABLE: 1.3 COMPARATIVE AGE FACTOR**

![Comparison of median ages across countries](image)

This phenomenon is quite significant since we can assume the future of India to be that of a young nation. We witness even in the western countries a high life span of the people due to the long life expectancy. But the problem there is the reducing birth rate creating a dearth of productive age of the youngsters. This leads to immigration of people from various nations into these countries in order to sustain the productivity levels.

India is truly blessed to have a very positive median age which would trigger as the consumer class of the future.
Changing lifestyles

The traditional large, joint-family set up in India, is slowly giving way to a nuclear family set up. This is more pronounced in urban India. This has resulted in a larger number of households, pushing up demand for consumer goods. These have a direct impact on the overall consumption patterns and fuels further growth of organized retail.

Strong economic growth after liberalisation and increasing globalisation has resulted in higher household incomes, and these continue to rise with the Indian economy growing at a brisk pace. The young urban is not satisfied by purely spending on basic products and services. They want to indulge by spending more on lifestyle products which would satisfy their social needs, esteem needs and self-actualisation needs. Leisure needs are currently manifesting themselves in the desire for a shopping experience, watching movies in multiplexes, eating out, travel, etc. The emerging lifestyle categories are reflected below:

FIGURE: 1.2  
Emerging Lifestyle categories

B. Consumerism and Demographics

The emergence of the Indian middle class with greater earning power and a higher disposable income is one of the key factors that will drive the growth of the Indian entertainment sector. Demographic analysis clearly shows the evidence of this growth. The consumption chart below indicates the continued progression of people into higher income and consumption segments.

**TABLE: 1.4**  
RISE OF INDIAN’S EARNING AND CONSUMING CLASSES
A number of economic trends are testimony to this advancement:

1. Automobile sales are rising across the country. In two wheeler sales, India now ranks second in the world, while car sales are over 1 million per annum, growing at about 25 percent annually.

2. India is the sixth largest market for mobile handsets (16 million units per annum) and is growing at 50 percent a year.

3. The country is the fifth largest market for colour televisions and is growing at 25 percent per annum.

As the average Indian gets richer and his more compelling needs are met, his propensity to spend on discretionary items such as entertainment increases. Further, as his consumption of various goods and services rises, companies try to reach out to him through more marketing and advertising. Higher demand and an increased investment would result in an expansion of the entertainment industry in the years to come.

B1 A Non-Homogenous Market

All too often, the specific appetite of certain segments such as the rural population, women and children, is underestimated and their financial value proposition continues to be under-recognized. Illustratively, here are some important facts about the rural sector:

1. There are nearly 42,000 ‘haats’ (rural supermarkets) in India.

2. In 2002-03, LIC sold 50 percent of its policies in rural India.

3. Small towns and villages account for over one million cellular telephone users.

4. Of the 25 million households that bought television sets over the last three years, 19 million, or 77 percent were rural households.

5. Of the 20 million who have signed up for a popular horizontal portal, e-commerce and free mail service, 60 percent are from small towns. Of the 100,000 persons that have transacted on its shopping site, 50 percent are from small towns.

Companies and businesses that have managed to differentially cater to the varying segments of Indian population have benefited. As a corollary, the entertainment sector too has begun to witness the advent of a broader set of offerings which are aimed for specific segments e.g. television channels for children.
1.5 ENTERTAINMENT INDUSTRY IN INDIA

Entertainment Industry in India comprises of Film Industry and Television Industry. The Indian entertainment industry is among the fastest growing sectors in the country. In the past two decades entertainment industry in India has witnessed explosive growth. In television alone, from a single state owned television network, Doordarshan in 1991, today there are over 300 national, regional and local channels being beamed across the country. Indian film industry is the largest film industry in the world, producing on an average, close to a thousand films a year in all languages. In terms of film production India exceeds Hollywood's production volume by over three times. Some of the fastest growing segments in the Indian entertainment industry include music, cable and satellite television, animation and FM.

Entertainment industry in India is presently in a consolidation phase as boundary lines between films, music and television are fast disappearing. Skills and resources are being pooled extensively. Besides adaptation to high-end digital technology, the entertainment industry is also witnessing rapid development of state-of-the-art studios and post production facilities.

In terms of employment, an estimated 6 million people earn their livelihood from the entertainment industry and this number is all set to grow. Entertainment industry in India is projected to be one of the major economic driving forces of the country. In India, television is the major segment of entertainment industry.

Presently, India has the third largest television market in the world behind only China and the USA. Today, television reaches about hundred million Indian households. India has the world's biggest movie industry in terms of the number of movies produced. Presently, the technology of film-making in India is perhaps the best among all developing countries. Indian film industry is now increasingly getting professional and a lot of production houses such as Yash Raj Productions, Dharma Productions, Mukta Arts etc. are now working on corporate lines.

The popularity of Indian entertainment industry goes well beyond the geographical frontiers of the country. Indian television channels and films are viewed and enjoyed across the entire South Asia. Across the Middle East, parts of South East Asia and Africa, large expatriate populations ensure that Indian TV channels and films are a regular part of their entertainment bouquet.

In UK and North America (USA and Canada), Indian TV channels and films are increasingly finding a foothold beyond the expatriate pockets as the audience there has started to enjoy and identify with the contemporary Indian culture. Quite a few of Indian film stars are also getting good offers from Hollywood.

The future prospects of Indian entertainment industry look to be extremely good. As India's profile rises on the global stage outside interest in India's culture and entertainment industry is also bound to grow.
1.5.1 CHANNELS OF ENTERTAINMENT

1. TELEVISION

According to the study by FICCI and KPMG, the television industry, which is currently valued at about US$ 4.63 billion, will expand by 14.5 per cent between 2009 and 2013. According to the above PwC report, the television advertising industry is expected to account for a share of 41.0 per cent of the advertising industry in 2013, up from the present share of 39.0 per cent.

Digital distribution platforms such as direct-to-home (DTH) and Mobile TV are transforming the industry. Mobile TV where content will stream in on mobile phones is poised to grow big with the advent of 3G, according to experts. With the DTH industry estimated to grow by almost 100 per cent in the 2009-10 fiscal from US$ 310.16 million in 2008-09 to an expected US$ 620.25 million in 2009-10 leading DTH firms such as Sun Direct, Bharti Airtel DTH and Big TV have increased their marketing budget by 20-25 per cent in the fiscal year 2010.

The television distribution industry is expected to reach US$ 5.2 billion in 2013 from the estimated size of US$ 3.12 billion in 2008, which translates into a growth of 12.2 per cent on a cumulative basis over the period, according to the 2009 edition of PricewaterhouseCoopers’ Indian Entertainment and Media (E&M) Outlook.

Capitalizing on the success of the 3D film Avatar, television manufacturers are gearing up to introduce new 3D TV sets into the market in the second quarter of 2010. Another player to get on the 3D bandwagon, the Indian Premier League, is set to become the first sports body to telescast a match live in 3D.

2. MUSIC

Industry experts estimate that the current size of the music industry is about US$ 149 million. According to a PwC study, the industry is likely to grow to become a US$ 164.56 million industry by 2012.

With music channels giving less space to music programming to accommodate game shows and reality shows, independent music bands such as Workshop Them Clones are increasingly looking to promote their videos by making them available online.

Digital music sales are expected to account for 88 per cent of the total music industry revenue in India by 2009. Though for a long time, cassettes and compact discs (CDs) have accounted for most music sales, future growth is expected to come from non-physical formats such as digital downloads and ringtones, among others.

According to the 2009 PwC study, the important driver for the music industry over the coming years will be digital music, and its share is expected to move from 16 per cent in 2008 to 60 per cent in 2013. Also, within digital music, mobile music is expected to continue to increase its share and maintain dominance.

3. RADIO

The cheapest and oldest form of entertainment, reaching 99 per cent of the population, this segment is likely to see many dynamic changes.

According to the 2009 PwC study, the radio industry is forecast to grow at a compound
annual growth rate (CAGR) of 18 per cent over 2009-13, reaching US$ 391.15 million in 2013 from the present US$ 170.87 million in 2008. That's more than double its present size. In terms of its share of the advertising pie, it is projected that the radio advertising industry will be able to increase its share from 3.8 per cent to 5.2 per cent between 2009 and 2013.

4. **ADVERTISING**

The number of brands advertised on television witnessed an 82 per cent increase during 2008 compared to 1999, according to a survey by AdEx India, a division of Tam Media Research. The television advertising industry is expected to reach US$ 3.12 billion in 2013 from the estimated size of US$ 1.75 billion in 2008, which translates into a growth of 12.2 per cent on a cumulative basis, over the period.

Going forward, digital media advertising (internet, mobile and digital signage) is expected to emerge as the medium of choice for advertisers. According to a FICCI-PwC report, online advertising is expected to touch US$ 212.03 million in 2011.

Digital advertising on newspaper web sites will increase at a 6.8 percent compound annual rate to US$ 8.3 billion in 2013 from US$ 6 billion in 2008, increasing its share of total newspaper advertising to 9.1 per cent from 5.4 per cent in 2008, as per the 2009 PwC report on the Indian media and entertainment industry.

According to a PwC report, Internet advertising is projected to expand by 32 per cent over the next five years to reach US$ 411.74 million in 2013 from US$ 102.94 million in 2008. Also, the share of online advertising is projected to grow from 2.3 per cent in 2008 to 5.5 per cent in 2013. The report estimates the size of the Out of home (OOH) advertising spend to be US$ 308.8 million in 2008. This figure is projected to almost double in 2013 to US$ 514.67 million.

5. **CINEMA**

The Indian film industry is the largest in the world in terms of number of films produced per year. The FICCI-KPMG study values the Indian film industry at US$ 2.11 billion and projects its growth at 9.1 per cent till 2013.

The opening of the film industry to foreign investment coupled with the granting of industry status to this segment has had a favourable impact, leading to many global production units entering the country.

Meanwhile, non-resident Indian (NRI) filmmakers are looking to India as the country offers a large market and a mainstream arts platform. Filmmaker Sangeeta Datta who is based in London says that the framework of reference has changed for NRI cinema and that NRI filmmakers like herself are now more geared towards ethnic communities and the Diasporas which assures them of an audience in India, UK and the US.

6. **PRINT/PUBLISHING**

According to a PWC report, the print industry is projected to grow by 5.6 per cent over the period 2009-13, touching US$ 4.26 billion in 2013 from the present US$ 3.24 billion in 2008. The relative shares of newspaper publishing and magazine publishing are not expected to change significantly and are expected to remain the same at around 87 per cent in favour of newspaper publishing. Magazine publishing is expected to grow at a higher rate of 6.5 per cent as compared with newspaper publishing which is expected to grow at 5.6 per cent over the five year period.
7. DIGITAL MEDIA

According to a FICCI-KPMG study, the Indian animation industry will grow from the current US$ 362 million to US$ 811.2 million by calendar 2013. Further, with the country turning out to be a hub for graphic industries like animation and design, companies such as Intel and Advanced Micro Devices (AMD) are reworking their India strategies to grow their businesses in the computing segment. The move has been triggered by the emergence of high-end games involving real-time 3D rendering. Tata Teleservices (TTSL) has become the first service provider to offer mobile TV on high speed broadband wireless by launching Photon TV, which allows users to access channels on desktops and laptops. English news channel, NewsX, has launched a service which will enable mobile phone users to receive live videos on their handset, through a specific mobile URL.

8. PUBLIC RELATIONS

Public Relation is extremely vital to create a positive image of a company. Massive foreign investment, privatization and initial public offerings by Indian companies have resulted in a rapid growth for this sector. Before companies used to have public relations department internally, but in recent times with increasing demand for PR, companies specializing in PR have been established. Be it corporate or, media, IT, entertainment or media every business venture requires a PR organization to create awareness about them. Even celebrities from movie stars, to sportspersons, to politicians, to party socialites have a PR firm representing them.

1.5.2 ENTERTAINMENT INDUSTRY OVERVIEW

There are a number of key factors, which make the Indian media and entertainment industry today an attractive proposition. Favourable Indian demographics, growing population, urbanization, rising income and education levels, change in lifestyle, etc have lead to an increased demand for entertainment and the willingness to spend for entertainment has also increased exponentially, besides

1. India’s film and television industries are increasingly adopting digital technology.

2. The Government of India is keen to sustain this growth and has positioned itself as a proactive facilitator so that India can be a ‘hub’ for the 21st century. It is removing barriers to foreign investment, fast tracking procedure and introducing legislation to control piracy and under-declaration.

3. It has granted the film sector ‘industry’ status and has introduced “clean money through state controlled banks”.
4. A much needed corporatisation of the industry is beginning to take place with the growth of professional management and accountability and the introduction of insurance and completion bonds

Thus the Indian entertainment industry is witnessing the positive trend due to combination of high technology, efforts of corporatisation, a very large domestic as well as overseas customer base, enhanced income levels and government support. Competition will be another impetus for increased efficiencies and new media such as CAS, DTH and Digital cinema will force the more conventional formats to rethink their strategies.

According to FICCI-Ernst & Young report on “The entertainment industry”, the industry has out-performed the economy in 2003, by growing 15% to Rs.19,200 crore. The entertainment business in India has enormous potential for growth.

It is believed that the industry has a potential to be worth Rs.43, 200 crore by 2008, at a compounded annual growth rate of 18%. (Source KPMG – VCK Research), due to inherent drivers such as growing demand for localized, quality entertainment by a heterogeneous population having varied tastes. The growing disposable income of Indians backed by a desire to spend on entertainment has further spurred this industry.

1.6 FILM INDUSTRY

The film industry is the oldest and the most prominent and popular form of entertainment in India and it is the largest film industry in the world in terms of the number of films produced and admissions each year. (Source: Indian Entertainment Industry Focus 2010: Dreams to Reality, Confederation of Indian Industry - KPMG, 2005 (“CII - KPMG Report, 2005”) The Indian film industry revenue for 2004 was estimated at Rs. 5900 crore (USD 1.3 billion), which was less than 1% of global film industry revenue and a fraction of the U.S. film industry revenue, which was US$9.49 billion in 2003. The pie chart below sets forth the percentage contribution of various revenue sources to the total revenue of the Indian film industry in 2004.
The Indian film industry currently realizes almost 70% of its total revenues (around 80% of legitimate revenues) from domestic and overseas box office sales compared with the U.S. film industry, which earns only 35% of its revenue from box office sales and the remaining 65% of revenue is derived from other revenue sources such as sales of DVDs and VHS tapes and the sale of cable and satellite television rights.

Over the last 5-7 years, factors such as strong economic growth, falling interest rates,
increased interest in real estate development, increased consumption levels, etc. have resulted in a large boom in the Organized Retail sector in India. A number of large organized retail outlets have been trying to attract large footfalls by building attractive properties such as branded food and apparel outlets as well as theatre chains.

The film industry comprises of three sectors:

1. Movie production, which involves in making of movies;
2. Movie distribution, which involves the distribution of movies to cinemas, television and video stores; and
3. Movie exhibition, which involves exhibiting the movies in cinemas.

Exhibition Industry is not just as a Digital Exhibition Centres, but also a last mile access and infrastructure provider for Retail Industry. A small overview of the organized retail in India is also included in industry overview. Moreover, the emergence of tier 2 and 3 cities in India holds a huge potential in the organized Film Exhibition Industry and the organized Retail Industry analysis is arranged in the following sections

1.6.1 FILM & FILM PRODUCTION

Film entertainment has remained the most popular form of entertainment in India. The film segment has experienced a steady growth of around 15% in the last few years. The segment is ever growing with over 1,000 films produced during the last year. Hindi and Tamil films form a major number in production and this segment has been mainly in the hands of unorganized sector till late. However, IDBI started film financing a couple of years back and now even the corporate sector has come forward to produce films.

In Film making first in the value chain is conception of a story by writers / directors. The next major task lies in the production house that takes care of pre and post production aspects such as dealing with artists', technicians, locations for shooting and editing etc. Distributors have major role in financing films. The production houses sell theatre rights to distributors who in turn earns by ticket sales. The distributor bears the risk of film being a flop or reaps fruits with film being a hit. The distributor takes theatre rights based on territory concept such as Class A, Class B etc. The last in the value chain is theatre owners and they may rent out for a period or enter into agreement for revenue sharing with distributors.

Cinema industry also has undergone a change in culture & taste. Today no film can dream of 300 day run. The shelf life per film has drastically come down. If the film is good then, unfortunately pirated CD market makes sure that it is seen across the entire geography in a very short period. If the film is bad, anyway nobody will come to theatres to watch it. Therefore piracy is a lose-lose situation.
Film Production Sector

Over 900 films produced in India were released in 2010. Hindi films constituted the bulk closely followed by regional films in Telugu, Tamil, Kannada and Malayalam. (Source: Film Industry Report, 2010.) In the year 2003, the Indian film Industry produced 877 films. The majority of films were made in the South Indian languages of Telugu (155 films), Tamil (151 films), Kannada (109 films) and Malayalam (64 films) compared with Hindi (246 films).

Since being recognized as an industry in India as recently as 2000, the film industry has been moving towards corporatization. Corporatization is not only limited to the structural changes involving the emergence of corporations and studios to replace individuals for movie production but also implies a fundamental shift in the way different elements of the film industry, including pre-production, financing, production, post-production and distribution, are managed and run. This is likely to result in a scenario where movie making is governed by transparent and written contracts and is carried out in accordance with global best practices. This should convert the Indian film production industry from an aggregation of creative endeavour to a volume driven business.

Corporate tie-ups, sponsorships and merchandising are new trends which help in financing the production of movies in India. Although these sources of finance have been effectively tapped in developed markets such as the United States, they have just emerged as a viable source of finance in India and are likely to play a major part in the future, with producers trying to recover part of their film costs through brand associations. For instance, brands such as Thumsup, Pepsi, Coke and Seagram’s now regularly sponsor movies in India.

The overseas market (theatrical, video and television) is becoming increasingly lucrative for Indian film productions because of a large and fast growing Indian Diaspora, which is estimated at 20 million people. Some films are realizing 15-20% of their total proceeds from overseas. (Source: FICCI - EY Report.)

1.6.2 FILM INDUSTRY OUTLOOK

Indian film industry revenues are expected to grow annually at 16% from Rs. 59 billion (USD 1.3 billion) to cross the Rs. 100 billion (USD 2.2 billion) mark by 2007 and reach Rs 143 billion (USD 3.2 billion) in 2010. Revenue generation from releases in domestic market is expected to grow annually at 17% from Rs.34 billion (USD 0.75 billion) in 2004 to Rs. 86 crore (US$2.0 billion) in 2010.

The following factors are expected to be the key drivers of this growth:

1. Movie viewing continuing to remain a very popular source of entertainment. There is currently a lack of readily available alternative entertainment options in India such as theme parks, concerts and gaming and this is not expected to change in the medium term.

2. Continued progression of people into higher income and consumption segments.

3. Favourable demographic changes.

4. Increasing corporatisation of the film production sector should result in an increase in
the number of high quality films produced, which should increase demand for movies. In an increasingly corporate environment, unviable movies with weak scripts should find it difficult to garner funding. Consequently, although the average number of films produced annually in India is expected to fall from over 900 in 2004 to around 600 by 2010, the quality of the movies produced is expected to increase.  
(Source: CII – KPMG Report, 2005.)

5. A significant increase in the number of digital cinemas should also fuel growth of the film exhibition industry in B and C-class centres.

1.6.3 FILM DISTRIBUTION INDUSTRY

Film Distributors are an important link in the film value chain. Film Distributors buy theatrical distribution rights from Film Producers for exhibiting the films in a defined territory. Film Distributors play various roles including:

1. part-financing of films (in case of minimum guarantee / advance based purchase of movie rights)
2. localized marketing of the film
3. selection of exhibition halls, and
4. managing the logistics of physical prints distribution

The Distributors’ business models include two parts viz. the Revenue Model (Exhibitor - Distributor) and the Cost Model (Distributor – Producer). These models are explained below:

Revenue Sharing Model (Exhibitor – Distributor)

The distributor sells the theatrical right of the films to the exhibitor. One of the following four models is normally adopted:

a) Theatre Hire Model:
The Exhibitor collects the entire box office collections, net of entertainment tax. The Exhibitor retains a fixed amount and hands the balance net collection to the distributor. The entire risk of box office performance of the film is borne by the Distributor.

b) Fixed Hire Model:
The Distributor receives a fixed amount, from the Exhibitor, irrespective of the Film’s performance at the box office. The entire risk of box office performance of the Film is borne by the Exhibitor.

c) Minimum Guarantee plus Royalty Model:
The Distributor receives a minimum guaranteed amount from the Exhibitor. Collections, in excess of the minimum guaranteed amount are shared between the Distributor and Exhibitor in a pre-agreed ratio. The entire risk of box office performance of the film is borne by the Exhibitor.
d) Revenue Share Model: The box office collections, net of entertainment tax, are shared between the Distributor and Exhibitor in a pre-agreed ratio. The risk of box office performance of the Film is shared between the two. In recent past, especially with the advent of multiplexes, the Revenue Share Model is gaining grounds.

Cost Model (Distributor – Producer)

The key cost elements for a Distributor include cost of acquiring distribution rights, film print (positives / reels used for screening) costs and publicity costs. The Distributor procures domestic/overseas theatrical distribution rights and DVD rights of a film from a Producer for distributing in a specified distribution territory. In the Indian Film Industry, the distribution territories are divided as follows:

**TABLE 1.5 DISTRIBUTION TERRITORIES**

<table>
<thead>
<tr>
<th>DOMESTIC</th>
<th>Major Areas covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bombay, Goa</td>
<td>Bombay city and suburbs, Thane district, Saurashtra and parts of Maharashtra and Karnataka</td>
</tr>
<tr>
<td>Gujarat,</td>
<td></td>
</tr>
<tr>
<td>Delhi-UP</td>
<td>Delhi city and suburbs and Uttar Pradesh</td>
</tr>
<tr>
<td>East Punjab</td>
<td>Punjab, Haryana, Himachal Pradesh and</td>
</tr>
<tr>
<td>Jammu and Kashmir</td>
<td></td>
</tr>
<tr>
<td>Eastern circuit</td>
<td>West Bengal, Bihar, Nepal, Assam and Orissa</td>
</tr>
<tr>
<td></td>
<td>Central Province, Central India &amp; Rajasthan</td>
</tr>
<tr>
<td></td>
<td>Rajasthan and Parts of Madhya Pradesh and</td>
</tr>
<tr>
<td></td>
<td>Maharashtra</td>
</tr>
<tr>
<td>South</td>
<td>Andhra Pradesh, Tamil Nadu, Kerala and Parts of</td>
</tr>
<tr>
<td></td>
<td>Maharashtra and Karnataka</td>
</tr>
<tr>
<td>INTERNATIONAL</td>
<td>USA, UK and the rest of the world</td>
</tr>
</tbody>
</table>

Revenue Sharing Model (Distributor – Producer)

There are three types of Distributor – Producer revenue sharing models, which are summarized below:

a) Minimum Guarantee plus Royalty Model: The Distributor acquires the right to distribute a film in a particular territory, for a limited period, by paying a minimum guarantee to the Producer. The excess of Distributor revenues over the minimum guarantee, print & publicity costs and distributor’s commission is called ‘Overflow’. The Distributor shares the Overflow with the Producer in a pre-agreed ratio.

b) Commission Model: The Distributor retains a Commission on the total amount collected from the Exhibitor, and remits the rest to the Producer. The Distributor may pay a recoverable advance to the Producer, while acquiring the distribution rights. Such
advance is usually adjusted against the remittances to be made to the Producer. The Distributor does not bear any risk of the box office collections.

TABLE 1.4 EXHIBITIONS (SCREEN DENSITY)

<table>
<thead>
<tr>
<th>Country</th>
<th>2000</th>
<th>2005</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>113,534</td>
<td>65,500</td>
<td>42,000</td>
</tr>
<tr>
<td>USA</td>
<td>25,737</td>
<td>35,280</td>
<td>35,786</td>
</tr>
<tr>
<td>European Union</td>
<td>24,189</td>
<td>25,201</td>
<td>25,798</td>
</tr>
<tr>
<td>India</td>
<td>12,500</td>
<td>11,000</td>
<td>11,000</td>
</tr>
<tr>
<td>Mexico</td>
<td>1,415</td>
<td>2,755</td>
<td>3,197</td>
</tr>
<tr>
<td>Japan</td>
<td>1,734</td>
<td>2,635</td>
<td>2,681</td>
</tr>
<tr>
<td>Russia</td>
<td>2,282</td>
<td>1,654</td>
<td>1,809</td>
</tr>
<tr>
<td>Korea, Rep</td>
<td>638</td>
<td>977</td>
<td>1,130</td>
</tr>
<tr>
<td>Turkey</td>
<td>281</td>
<td>930</td>
<td>945</td>
</tr>
<tr>
<td>South Africa</td>
<td>600</td>
<td>753</td>
<td>756</td>
</tr>
<tr>
<td>Taiwan</td>
<td>536</td>
<td>669</td>
<td>684</td>
</tr>
<tr>
<td>Thailand</td>
<td>900</td>
<td>465</td>
<td>495</td>
</tr>
<tr>
<td>Pakistan</td>
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<td>445</td>
<td>440</td>
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<tr>
<td>Malaysia</td>
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<td>Egypt</td>
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<td>215</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>192</td>
<td>184</td>
<td>188</td>
</tr>
<tr>
<td>Singapore</td>
<td>103</td>
<td>158</td>
<td>156</td>
</tr>
</tbody>
</table>

Source: CII – KPMG Report, 2005
c) **Outright Sale Model:** The Distributor purchases the entire rights for the territory from the Producer.

**Business Characteristics and Trends**

1. Corporatization of film production entities is resulting in timely and better quality film productions

2. In the recent past, some of the big Producers have forward integrated into Distribution, especially into overseas markets

3. New films are being released in satellite/video formats within a shorter period after theatrical release, thereby reducing the window for theatrical exploitation

4. New films are being released across a larger number of theatres with a larger number of prints in order to maximize theatrical revenues in the shortest period of time.

5. New distribution formats, like digital distribution through DVD/Satellite are being actively explored

**1.6.4 EXHIBITION INDUSTRY**

The Exhibition industry consists of basically theatres. However other forms of exhibition include school auditoriums, pre-show displays, video parlours, etc. Currently there are over 100,000 cinema screens worldwide with about 6000 new screens replaced / added per annum. The following table will illustrate the distribution of cinema screens in units:

India’s screen density is very low. A combination of highly fragmented ownership, high entertainment tax rates, large cost of setting up new theatres, and unavailability of organized funding has resulted in many such theatres not being able to continuously upgrade or renovate their facilities, thus resulting in a decline in the quality of such theatres.

With around 12,900 active screens (down from 13,000 in 1990) out of which over 95% are standalone single screens. In contrast, China, which produces far less films than India, has 65,000 screens while US has 36,000. There is a need for at least 20,000 screens in India as against the current 12,900.

(Source: CII-KPMG Report, 2005).
1.7 INDIAN CINEMA

‘Motion Picture’, a form of entertainment that enacts a story by a sequence of images giving the illusion of continuous movement, is a wonderful invention of science and technology. It was invented by Thomas Elva Edison in 1887. He established his lab in 1889 at New Jersey and showed his first film on 23rd April, 1896 publicly. Film, movies, cinema, the silver screen, moving pictures, motion pictures, photo plays, picture shows, flicks or bioscope whatever word we use for it, their makers call it “MOTION PICTURES”.

In India, which has one of the oldest film industries in the world, the first film advertisement appeared in the Times of India on 7 July 1896, inviting people to witness the Lumiere Brothers' moving pictures, "The Wonder of the World", at Watson’s hotel, Bombay, charging Rs.2/- per head only. The show was really a wonder act to be seen. There were regular shows in Novelty theatre twice a day. This is how the cinema came in India and the people of Bombay could see it first. But it was not until early 1913 that an Indian film received a public screening. Rajah Harischandra was an extraordinary commercial success: its director, Dadasaheb Phalke, who is now remembered through a life-time achievement award bestowed by the film industry in his name, went on to make a number of other films drawing upon themes derived from the Indian epics.

The films which were silent till 1930 got the additional benefit and the attraction that the pictures which were so far just moving started talking and singing also since 1931. Since 1931, when talkies were introduced in the country, the film industry has produced more than 67,000 films in more than 30 different languages and dialects.

Mainstream commercial releases, however, continue to dominate the market, and not only in India, but wherever Indian cinema has a large following, whether in much of the British Caribbean, Fiji, East and South Africa, the U.K., United States, Canada, or the Middle East. The popular Hindi cinema is characterized by significant changes too numerous to receive more than the slightest mention. The song-and-dance routine is now more systematized, more regular in its patterns; the 'other', whether in the shape of the terrorist or the irredeemable villain, has a more ominous presence; the nation-state is more obsessive in its demands on our loyalties and obeisance; the Indian Diaspora is a larger presence in the Indian imagination (witness DilwaleDulhaniaLeJayenge); and

The number of movies produced in India is the largest in the world. In 2003, the Indian film industry produced 877 films. Approximately twenty-three million Indians go to see a film every day.

According to a survey done by Ernst & Young, more than 70% of the industry believed that the film business is expected to grow by more than 15% in the next five years. The total revenues of the industry in 2003 are an estimated $1,000 million. Going forward, with improvement in distribution, exhibition infrastructure, advent of digital cinema and better exploitation of films, the industry is likely to grow at a compounded annual growth rate of 18% to gross $2,244 million by 2008.
The cinema of India consists of films produced across India, including the cinematic culture of Andhra Pradesh, Assam, Karnataka, Kerala, Maharashtra, Orissa, Punjab, Tamil Nadu, and West Bengal. Indian films came to be followed throughout South Asia and the Middle East. As many as 1,000 films in various languages of India were produced annually; this shows the popularity of cinema as a medium in India. Expatriates in countries such as the United Kingdom and the United States continued to give rise to international audiences for Indian films of various languages.

In the 20th century, Indian cinema, along with the American and Chinese film industries, became a global enterprise. Enhanced technology paved the way for upgradation from established cinematic norms of delivering product, radically altering the manner in which content reached the target audience. Indian cinema found markets in over 90 countries where films from India are screened.

The country also participated in international film festivals, especially Satyajit Ray (Bengali), Adoor Gopalakrishnan (Malayalam), K. Viswanath (Telugu), Mani Ratnam (Tamil), and Girish Kasaravalli (Kannada). Indian filmmakers such as Shekhar Kapur, Mira Nair, and Deepa Mehta etc. found success overseas. The Indian government extended film delegations to foreign countries such as the United States of America and Japan while the country's Film Producers Guild sent similar missions through Europe. Sivaji Ganesan and S.V. Ranga Rao won their respective first international award for Best Actor held at Afro-Asian Film Festival in Cairo & Indonesian Film Festival in Jakarta for the films Veerapandiya Kattabomman & Narthanasaala in 1959 & 1963, separately.

India is the world's largest producer of films. In 2009, India produced a total of 2961 films on celluloid that include a staggering figure of 1288 feature films. The provision of 100% foreign direct investment has made the Indian film market attractive for foreign enterprises such as 20th Century Fox, Sony Pictures, and Warner Bros.

Prominent Indian enterprises such as Zee, UTV, Suresh Productions, Adlabs and Sun Network's Sun Pictures also participated in producing and distributing films. Tax incentives to multiplexes have aided the multiplex boom in India. By 2003 as many as 30 film production companies had been listed in the National Stock Exchange of India, making the commercial presence of the medium felt.

The Indian Diaspora consists of millions of Indians overseas for which films are made available both through mediums such as DVDs and by screening of films in their country of residence wherever commercially feasible. These earnings, accounting for some 12% of the revenue generated by a mainstream film, contribute substantially to the overall revenue of Indian cinema, the net worth of which was found to be US$1.3 billion in 2000. Music in Indian cinema is another substantial revenue generator, with the music rights alone accounting for 4–5% of the net revenues generated by a film in India.

Following the screening of the Lumière moving pictures in London (1895) cinema became a sensation across Europe and by July 1896 the Lumière films had been in show in Bombay (now Mumbai). The first short films in India were directed by Hiralal Sen, starting with TheFlowerofPersia (1898). The first full-length motion picture in India was produced by Dadasaheb Phalke, a scholar on India's languages and culture, who brought together elements from Sanskrit epics to produce his RajaHarishchandra (1913), a silent film in Marathi. (Interestingly, the female roles in the film were played by male actors.)
The first Indian chain of cinema theatres was owned by the Calcutta entrepreneur Jamshedji Framji Madan, who oversaw production of 10 films annually and distributed them throughout the Indian subcontinent. During the early twentieth century cinema as a medium gained popularity across India's population and its many economic sections. Tickets were made affordable to the common man at a low price and for the financially capable additional comforts meant additional admission ticket price. Audiences thronged to cinema halls as this affordable medium of entertainment was available for as low as an anna (4 paisa) in Bombay. The content of Indian commercial cinema was increasingly tailored to appeal to these masses.

Young Indian producers began to incorporate elements of India's social life and culture into cinema. Others brought with them ideas from across the world. This was also the time when global audiences and markets became aware of India's film industry. Ardeshir Irani released Alam Ara the first Indian talking film, on 14 March 1931. H.M. Reddy, produced & directed Bhakta Prahlada (Telugu), released on Sept 15, 1931 & Kalidas (Tamil). Released on Oct 31, 1931. Kalidas was produced by Ardeshir Irani & directed by H.M. Reddy. These two films are south India's first talkie films to have a theatrical release. Following the inception of 'talkies' in India some film stars were highly sought after and earned comfortable incomes through acting.

As sound technology advanced the 1930s saw the rise of music in Indian cinema with musicals such as IndraSabha and DeviDevyani marking the beginning of song-and-dance in India's films. Studios emerged across major cities such as Chennai, Kolkata, and Mumbai as film making became an established craft by 1935, exemplified by the success of Devdas which had managed to enthral audiences nationwide.

Bombay Talkies came up in 1934 and Prabhat Studios in Pune had begun production of films meant for the Marathi language audience. Filmmaker R. S. D. Choudhury produced Wrath (1930), banned by the British Raj in India as it depicted actors as Indian leaders, an expression censored during the days of the Indian independence movement.

The Indian Masala film slang used for commercial films with song, dance, romance etc came up following the Second World War. The Indian cinema gained prominence throughout India with the release of S.S. Vasan's Chandralekha.

During the 1940s cinema in South India accounted for nearly half of India's cinema halls and cinema came to be viewed as an instrument of cultural revival. The partition of India following its independence divided the nation's assets and a number of studios went to the newly formed Pakistan the strife of partition would become an enduring subject for film making during the decades that followed.

Following independence the cinema of India was inquired by the S.K. Patil Commission. S.K. Patil, head of the commission, viewed cinema in India as a 'combination of art, industry, and showmanship' while noting its commercial value. Patil further recommended setting up of a Film Finance Corporation under the Ministry of Finance. This advice was later taken up in 1960 and the institution came into being to provide financial support to talented filmmakers throughout India. The Indian government had established a Films Division by 1949 which eventually became one of the largest documentary film producers in the world with an annual production of over 200 short documentaries, each released in 18 languages with 9000 prints for permanent film theatres across
1.7.1 HINDI FILM INDUSTRY (BOLLYWOOD)

Bollywood is the informal term popularly used for the Hindi-language film industry based in Mumbai, Maharashtra, India. The term is often incorrectly used to refer to the whole of Indian cinema; it is only a part of the total Indian film industry, which includes several regional film industries sorted by language. Bollywood is the largest film producer in India and one of the largest centres of film production in the world.

Bollywood is formally referred to as Hindi cinema, though frequent use of poetic Urdu words is fairly common. There has been a growing presence of Indian English in dialogue and songs as well. It is common to see films that feature dialogue with English words phrases, or even whole sentences.

The name "Bollywood" is derived from Bombay (the former name for Mumbai) and Hollywood, the centre of the American film industry. However, unlike Hollywood, Bollywood does not exist as a physical place. Though some deplore the name, arguing that it makes the industry look like a poor cousin to Hollywood, it has its own entry in the Oxford English Dictionary.

The term "Bollywood" has origins in the 1970s, when India overtook America as the world's largest film producer. Credit for the term has been claimed by several different people, including the lyricist, filmmaker and scholar Amit Khanna, and the journalist Bevinda Collaco.

The naming scheme for "Bollywood" was inspired by "Tollywood", the name that was used to refer to the cinema of West Bengal. Dating back to 1932, "Tollywood" was the earliest Hollywood-inspired name, referring to the Bengali film industry based in Tollygunge, which rhymed with "Hollywood" and was the centre of the cinema of India at the time. The name "Bollywood" later arose as the Bombay-based film industry overtook the one in Tollygunge as the centre of the Indian film industry.

**History of Hindi film industry**

Raja Harishchandra (1913), by Dadasaheb Phalke, was the first silent feature film made in India. By the 1930s, the industry was producing over 200 films per annum. The first Indian sound film, Ardeshir Irani s AlamAra (1931), was a major commercial success. 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 1937, Ardeshir Irani, of AlamAra fame, made the first colour film in Hindi, Kisan Kanya.
The next year, he made another colour film, Mother India. However, colour did not become a popular feature until the late 1950s. At this time, lavish romantic musicals and melodramas were the staple fare at the cinema.

**Golden Age**

Following India’s independence, the period from the late 1940s to the 1960s are regarded by film historians as the "Golden Age" of Hindi cinema. Some of the most critically-acclaimed Hindi films of all time were produced during this period. Examples include the Guru Dutt films Pyaasa (1957) and Kaagaz Ke Phool (1959) and the Raj Kapoor films Awaara (1951) and Shree 420 (1955).

These films expressed social themes mainly dealing with working-class urban life in India; Awaara presented the city as both a nightmare and a dream, while Pyaasa critiqued the unreality of city life. Some of the most famous epic films of Hindi cinema were also produced at the time, including Mehboob Khan's Mother India (1957), which was nominated for the Academy Award for Best Foreign Language Film, and K. Asif's Mughal-e-Azam (1960) Madhumati (1958), directed by Bimal Roy and written by Ritwik Ghatak, popularized the theme of reincarnation in Western popular culture.

Other acclaimed mainstream Hindi filmmakers at the time included Kamal Amrohi and Vijay Bhatt. Successful actors at the time included Dev Anand, Dilip Kumar, Raj Kapoor and Guru Dutt, while successful actresses included Nargis, Meena Kumari, Nutan, Madhubala, Waheeda Rehman and Mala Sinha.

While commercial Hindi cinema was thriving, the 1950s also saw the emergence of a new Parallel Cinema movement. Though the movement was mainly led by Bengali cinema, it also began gaining prominence in Hindi cinema. Early examples of Hindi films in this movement include Chetan Anand's Neecha Nagar (1946 and Bimal Roy's Two Acres of Land (1953). Their critical acclaim, as well as the latter's commercial success, paved the way for Indian neo realism and the Indian New Wave. Some of the internationally-acclaimed Hindi filmmakers involved in the movement included Mani Kaul, Kumar Shahani, Ketan Mehta, Govind Nihalani, Shyam Benegal and Vijaya Mehta.

Ever since the social realist film Neecha Nagar won the Grand Prize at the first Cannes Film Festival, Hindi films were frequently in competition for the Palme d'Or at the Cannes Film Festival throughout the 1950s and early 1960s, with some of them winning major prizes at the festival. Guru Dutt, while overlooked in his own lifetime, had belatedly generated international recognition much later in the 1980s. Dutt is now regarded as one of the greatest Asian filmmakers of all time, alongside the more famous Indian Bengali filmmaker Satyajit Ray.

The 2002 Sight & Sound critics' and directors' poll of greatest filmmakers ranked Dutt at #73 on the list. Some of his films are now included among the greatest films of all time with Pyaasa (1957) being featured in Time magazine's "All-TIME" 100 best movies list and with both Pyaasa and Kaagaz Ke Phool (1959) tied at #160 in the 2002 Sight & Sound critics' and directors' poll of all-time greatest films. Several other Hindi films from this era were also ranked in the Sight & Sound poll, including Raj Kapoor's Awaara (1951), Vijay Bhatt's Baiju Bawra (1952), Mehboob Khan's Mother India (1957) and K. Asif's Mughal-e-Azam (1960) all tied at #346 on the list.
Modern cinema

In the late 1960s and early 1970s, romance movies and action films starred actors like Rajesh Khanna and Dharmendra, and actresses like Sharmila Tagore, Mumtaz, and Leena Chandavarkar and Helen. In the mid-1970s, romantic confections made way for gritty, violent films about gangsters (see Indian mafia) 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. Actresses from this era included Hema Malini, Jaya Bachchan and Rekha. Some Hindi filmmakers such as Shyam Benegal continued to produce realistic Parallel Cinema throughout the 1970s, alongside Mani Kaul, Kumar Shahani, Ketan Mehta, Govind Nihalani and Vijaya Mehta. However, the 'art film' bent of the Film Finance Corporation came under criticism during a Committee on Public Undertakings investigation in 1976, which accused the body of not doing enough to encourage commercial cinema.

The 1970s thus saw the rise of commercial cinema in the form of enduring films such as Sholay (1975), which solidified Amitabh Bachchan's position as a lead actor. The devotional classic Jai Santoshi Ma was also released in 1975. Another important film from 1975 was Deewar, directed by Yash Chopra and written by Salim-Javed. A crime film pitting "a policeman against his brother, a gang leader based on real-life smuggler Haji Mastan", portrayed by Amitabh Bachchan, it was described as being “absolutely key to Indian cinema” by Danny Boyle.

The most internationally-acclaimed Hindi film of the 1980s was Mira Nair's Salaam Bombay (1988), which won the Camera d'Or at the 1988 Cannes Film Festival and was nominated for the Academy Award for Best Foreign Language Film.

During the late 1980s and early 1990s, the pendulum swung back toward family-centric romantic musicals with the success of such films as Qayamat Se Qayamat Tak (1988), Maine Pyar Kiya (1989), 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 arthouse and independent films, some of which succeeded commercially, the most influential example being Satya (1998), directed by Ram Gopal Varma and written by Anurag Kashyap.

The critical and commercial success of Satya led to the emergence of a distinct genre known as Mumbainoir urban films reflecting social problems in the city of Mumbai. This led to a resurgence of Parallel Cinema by the end of the decade. These films often featured actors like Nana Patekar, Manoj Bajpai, Manisha Koirala, Tabu and Urmila Matondkar, whose performances were usually critically approved.
New Trends since the year 2000

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 in areas 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.


Lagaan won the Audience Award at the Locarno International Film Festival and was nominated for Best Foreign Language Film at the 74th Academy Awards, while Devdas and Rang De Basanti were both nominated for the BAFTA Award for Best Foreign Language Film.

The Hindi 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 maximise 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.

1.7.2 MARATHI CINEMA

Marathi cinema refers to films produced in the Marathi language in the state of Maharashtra, India. It is the oldest and pioneer film industry in India. The first film in India was a silent film called Raja Harishchandra (1913), which was made in Marathi by a Maharashtrian, Dadasaheb Phalke and a Marathi crew who were performing Marathi & Sanskrit Sangeet natikas (musicals) and plays in Marathi at that period. The first Marathi talkie film, Ayodhya Raja (produced by Prabhat Films) was released in 1932, just one year after "Alam Ara" the first Hindi talkie film. Marathi cinema has grown in recent years. The industry is based in Mumbai, Maharashtra.

Marathi Cinema is the oldest form of Indian & Pakistani Cinema. Dadasaheb Phalke is known as the first pioneer and founder of cinema in Pre-Independence India. He brought the revolution of moving images to India with his first indigenously made film Raja Harishchandra in 1913, which is considered by IFFI & NIFD as part of Marathi cinema as it was made by a Marathi dialogues while shooting and fully marathi crew. Kolhapur in Western Maharashtra was another centre of active film production in the twenties.
In 1919 Baburao Mistry - popularly known as Baburao Painter formed the Maharashtra Film Co. with the blessings of the Maharaja of Kolhapur and released the first significant historical - Sairandhari (1920) with Balasheb Pawar, Kamala Devi and Zunzarrao Pawar in stellar roles. Because of his special interest in sets, costumes, design and painting, he chose episodes from Maratha history for interpreting in the new medium and specialised in the historical genre.

Baburao Painter made many silent movies till 1930 however after a few more silent films, the Maharashtra Film Company pulled down its shutters with the advent of sound. Baburao was not particularly keen on the talkies for he believed that they would destroy the visual culture so painfully evolved over the years.

**After advent of Sound**

As cinema grew in Union of India, major production houses rose and one of them was again a company owned wholly by Maharashtrians, the Prabhat Film Company. Prabhat's Sant Tukaram was the first Indian film to win the Best Film Award at the Venice film festival in 1937. In 1954 at the very first edition of the National Awards, Shyamchi Aai another Marathi film won the first President's Gold Medal for Cinema. The film was directed by Acharya P K Atre, and it was an adaptation of the eponymous novel by Sane Guruji.

Marathi Cinema was in its full bloom by this time with the advent of greats like. Shantaram, Master Vinayak, Bhalji Pendharkar, Acharya Atre, followed by Raj Paranjpe, Dinkar D.Patil, Sudhir Phadke. The 1960s saw the emergence of directors like Anant Mane who made Marathi films based on the folk art form Tamasha.

Then came directors like Datta Dharmadhikari and Raj Dutt who made traditional family dramas. The early 1970s saw the advent of Dada Kondke who captured the audiences with his sense of humour. He later went on to create satirical, pun-ridden films often including social and political commentary, many of which became cult classics. By this time Marathi Cinema was caught in either the Tamasha genre or tragedies revolving around traditional family dramas on one side and the comedies of Dada Kondke.

The 1980s saw two comedy heroes catapult to stardom, Ashok Saraf and Laxmikant Berde. Around the mid 1980s two young actors, donned the director's mantle: Mahesh Kothare and Sachin Pilgaonkar. Pilgaonkar directed Navri Mile Navryala and around the same time Mahesh Kothare directed Dhumdhakada. Pilgaonkar's film was a box-office hit while Mahesh Kothare's film not only became a mega hit at the box-office but it also became a trend-setter and brought young audiences to Marathi Cinema.

Mahesh Kothare then went on to make comedy films which became major hits. He made the first Marathi film shot on the anamorphic format (Cinemascope) - Dhadakebaaz. He brought a number of innovations in the technical quality of Marathi films and was also the first to bring Dolby Digital sound to Marathi Cinema with the film Chimni Pakhara. He made the first Marathi film with Digital Special Effects, Pachadlela in 2004.

While the theatre of Maharashtra earned recognition at the national level, the cinema failed to make a mark. A major reason was the proximity to the production centre of Hindi cinema (Bollywood) which encroached on the identity of Marathi cinema. Other reasons include the shortage of cinema halls for distribution due to poor marketing, a vibrant theatre scene and the emergence of private television. It also lacked the powerful lobby at the national level unlike Bengali and South Indian cinema; the regional industrial advantage being soaked up by Bollywood.

In past few years, the Marathi cinema industry has produced many films that are not only
critically acclaimed but commercially successful as well. It has brought fresh ideas, untouched subjects and deeper human sensitivity on the celluloid.

With outstanding contribution and efforts from different producers and directors of Mumbai Film Industry, Marathi cinema relatively outshined other Indian Film Industries such as Bollywood in the first quarter of 2010 in terms of box office collections and critical appreciation.

Marathi Cinema received critical acclaim in the year 2004 with the film Shwaas bagging the Golden Lotus National Award. It was also India's official entry to the 77th Academy Awards and it also won the President's medal for best film, beating Bollywood's prolific output with quality. Shwaas, after Shyamchi Aai (1950) is only Marathi film to win the President's Medal. The Maharashtra state government has begun to issue grants to Marathi film (between 1.5-3.0 million rupees). After the success of "Shwaas", Indian media players like Shringar Films and Zee Telefilms are exhibiting a re-emerging interest in Marathi cinema. The growing popularity of Marathi television (notably Zee Marathi and ETV Marathi) has also helped to popularize older Marathi cinema and promote the genre. Zee Talkies a 24 hour channel dedicated to Marathi movies has been introduced.

Movies like Aga bai arecha, Khabardar, Dombivali fast, Anaahat, Sarivar sari, Yanda kartavya aahe, Uttarayan, Tingya, Valu - The Wild Bull, "SAAWALI", 'De Dhakka, Maati Maay, Kadachit, Me Shivajiraje Bhosale Boltoy "SAAVARIYAA.COM", Samaantar, Ritu, Restaurant, Nirop, Vihir, Vartul, Gabhiricha Paus, Harishchandrachi Factory, Natarang, Jogwa have received commercial and/or critical success. This decade has seen the emergence of stars like, Makrand Anaspure, Sunil Barve, Shreyas Talpade, Sandeep Kulkarni, Sadashiv Amrapurkar, Sonali Kulkarni, Amruta Subhash, Ashwini Bhave, Sanjay Narvekar, Atul Kulkarni, Sachin Khedekar, and Bharat Jadhav. Film-makers like Kedar Shinde, Gautam Joglekar, Gajendra Ahire, Bipin Nadkarni, Mahesh Manjrekar, Prashant Pethe, Sanjay Surkar, Chandrakant Kulkarni, Nishikant Kamath, Paresh Mokashi, Umesh Kulkarni, Mangesh Hadawale, Avdhoot Gupte, Nitin Nandan, Yogesh Dattatraya Gosavi, Sachin Kundalkar are new entrants with veterans like Mahesh Kothare, Chitra Palekar (Maati Maay), Sumitra Bhave (Devrai, Vaastupurush, Doghi, Nital, Badha) Smita Talwalkar, Amol Palekar (Anaahat, Samaantar, Bangarwadi), Renuka Shahane (Rita).

In 2009, Marathi film Harishchandrachi Factory, depicting the struggle of Dadasaheb Phalke in making Raja Harishchandra in 1913, India's first feature film, directed by theatre-veteran Paresh Mokashi was selected as India's official entry to Academy Award in the Best Foreign Language Film Category, making it the second Marathi film, after Shwaas, to receive this honour.

In the year 2009 released the blockbuster musical movie Natarang which got both commercial and critical applause and has served as a path-breaking movie for Marathi cinema in many ways. The direction, concept, acting performances and music of this film are well superb and well received by both critics and general audience.

In the year 2010 released Vihir (Umesh Kulkarni), Zenda (Avdhoot Gupte), Jhing Chik Jhing (Nitin Nandan), PRATISAAD - The Responce (Yogesh Dattatraya Gosavi), Mumbai - Pune - Mumbai (Satish Rajwade), Paaradh (Gajendra Ahire) had given different direction to Marathi films.

Coming this November (2010) is probably the first complete Marathi film on sports. This film is titled Manyaa - History will be made. The film is produced by Artha Motion Pictures,
directed by Sangramsinh Gaikwad and written by Harish Nayar. The film stars Rajesh Shringarpure (Sarkar Raj and Zenda), Amitriyaan, Mayuri Waugh (Star Pravah) and Madhvi Zuikar. Music is by Nilesh and lyrics by Ashwini Shende. MANYAA was extensively shot in Kankauli (Sindudurg district, Konkan) and Balewadi Sports Complex, Pune. This film was shot on Red Digital Film cameras. The first teaser is available for viewing on www.youtube.com