



Cinema second fastest growing medium despite slowdown

Cinema is the second fastest growing medium, says Siddharth Bhardwaj of UFO Moviez India Limited.



Mr. Siddharth Bhardwaj (UFO Moviez)

Muted ad spends in 2019 have been a concern for a lot of companies and sectors but not so much for cinema, thanks to strong content and footfalls. Talking to Moneycontrol, Amit Sharma, MD, Miraj Cinemas, said, “Look at huge amount of hits coming this year and number of releases every week. You have two to three big films coming. So, the overall sentiment is that the sector is doing well. So, the consumption is there.” Plus, Siddharth Bhardwaj, the chief marketing officer and head of enterprise sales, UFO Moviez India Limited, says that capacity utilisation is higher than usual weeks during festival period, so brands will get better ROI during festival time especially during Diwali.

“There will be better inventory utilization and that will ensure better pricing of the inventory. Festives provide an opportunity to charge a premium. Q3 is 20-25 percent higher than the other quarters,” he added. But, Sharma believes that it is not so much the festive season than the good line-up of films that will keep advertisers positive about cinema.

“First half of the year you did not have A-lister star films and small films became big. You look at the second half of the year it started with War, then you have Pagalpanti, Dabangg 3, Good News then Tanhaji. So, all A-listers are coming in the second half of the year. So, it will help the advertisement to grow because it is movie specific also,” he added.

But, has cinema seen any impact of slowdown on ad spends?

According to Bhardwaj, cinema is also getting impacted due to slowdown. "This quarter that has gone by has not been a great quarter for PVR, Inox and Zee and most of the media companies. The growth at which cinema was growing it has taken a hit. Everybody could have grown faster had the momentum continued," he said.

Bhardwaj said, "In H1, overall 10-12 percent growth in cinema advertising is what we are seeing. But the industry expected around 15 percent but it was dwarfed because of the environment we are in." According to Sharma, there is a certain amount of impact, but it is temporary. "First, because there is no big chunk of advertising happening in cinema. Slowdown impact is there but where the spend was larger. Cinema advertising pie is small so the impact is small," he said. He added that there was no dent in premium multiplex operators, and they are showing growth. For single screens, the dent may be more. Yet, both Sharma and Bhardwaj are confident about advertising in cinemas just like PVR. After posting its September quarter results, Nitin Sood, CFO, PVR, said in conversation with Moneycontrol that PVR had been able to replace with new age advertisers who were continuing to advertise and find cinema as a very effective medium. He had said that all consumer product companies continued to advertise in cinemas. "Mobile phone companies are large spenders including some of the Chinese brands like Vivo, Oneplus. Traditional category like FMCG, apparel, financial services continue to spend," he added. Sharma pointed out another interesting aspect. He said that, while urban and rural consumption have gone down, consumption in tier II and III cities was growing. "When it comes to all kind of advertisers FMCG is big. They are also pushing for semi-urban and rural market for growth. When it comes to smaller cities like a jeweler, developer he does not have many advertising opportunities. So, cinema becomes a medium to get a captive audience and it also gives better ROI (return on investment) and it is easy to make TVC for cinema," Sharma added. Bhardwaj added that strong footfalls would help the film and exhibition industry to sustain in times of slowdown much better in comparison to conventional platforms. "Next three to six months are critical. Most analysts are saying tide will turn and interestingly this is the period that is strongest for cinema," he said. Cinema is the second fastest growing medium, he added.

"Yes, the share will go up. It is a cricket crazy and cinema crazy country. Only 600 to 700 brands are active on cinema whereas 16,000 to 18,000 brands are active on television. So, there is a long way to go," he said.