



Here's how festive period is crucial for the in-cinema advertising industry

As per a KPMG report, the number of in-cinema advertisers grew from 50-100 in 2010 to over 2,500 in 2016.

The festival period is lucrative not only in terms of box office collections. Ancillary revenue streams, like in-cinema advertising, also benefit during this time. Advertisers' interest peaks during festival weeks. This leads to a rise in advertising revenue for cinemas, an industry which is pegged at Rs 850 crore.

This is the time when companies in the FMCG, auto, telecom, and consumer-durables space start running promotions. Brands are on the lookout for bigger and better opportunities to advertise. Associating themselves with festive releases helps them grab more eyeballs.

Talking to Moneycontrol, Siddharth Bhardwaj, CMO, UFO Moviez said, "We see festivals as holiday season. In the second half of the year, there are more holidays which automatically qualifies for more movies being released. So, all big banner releases eye the holiday week. Multiple movies are fighting for the same holiday week. So, if two big movies come on the same day, it means better footfalls that week which excites an advertiser even more. Also, festival time is purchase time and brands are more active during this period."

"This also gives us an opportunity to charge a premium during those weeks helping us garner more revenues," he added.

Bhardwaj pointed out at another important aspect to in-theatre advertising. He said that there is less clutter in cinema halls as compared to television. Hence, advertisers want to take advantage of such a platform.

According to the EY report, leading multiplex chains, such as PVR Cinemas and INOX Leisure, have a better grip over the advertising revenue owing to a wide variety of audiences they target given their pan-India presence. The contribution of advertisements as a percentage of total revenue to both PVR Cinemas and INOX Cinemas has increased by 1.5-2 percent in the last 3 years.

According to a KPMG report, the number of in-cinema advertisers grew from 50-100 in 2010 to over 2,500 in 2016. Along with multiplexes, single screens also gain the most during this period. This is because a majority of the theatres in India are single screens.

“If 2.0 went to 6,000-odd screens, that could not have happened with multiplexes alone. If you see *Thugs of Hindostan*, it mostly played on single screens,” Bhardwaj explained.

However, the advertising story for single screen theatres is not that rosy. Single screen cinemas have relatively low revenue realization from advertisements due to poor consumer targeting and limited catchment. But, efforts to better the ad inventory in single screens has led to some improvement in ad revenues for single screen operators also.

EY 2018 report on media and entertainment industry gives the example of a model started by UFO Movies and Qube cinemas. The two companies started working with single screen operators to take the advertisement inventory to both local and national advertisers. The access of 5,100 single screens across UFO+Qube network provide both national and regional advertisers a medium to reach the masses.

This year, the Diwali holiday was banking on the mega release *Thugs of Hindostan*. While the film tanked at the box office, the anticipation of the movie being a hit attracted many brands to opt for in-cinema advertising.

“Diwali was good but most of the money came before *Thugs of Hindostan* released,” said Bhardwaj.

However, he said, “Diwali would have been better had the movie performed better at the box office.”

“What it (weak performance of *Thugs of Hindostan*) did was put advertisers on a back foot. Had *Thugs of Hindostan* been as big a success as any other Aamir Khan movie, advertising around 2.0 would have been better,” Bhardwaj added.