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● ENTERTAINMENT

Multiplexes: Binging on advertising

Apart from leveraging blockbusters, cinemas are turning to brand tie-ups and activations to boost revenue this holiday season

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THE HOLIDAY SEASON could end on a high note for theatres, if the movies outlook is anything to go by. A robust line-up of films such as the Rajinikanth, Akshay Kumar-starrer *2.0* and Shahrukh Khan's *Zero* is expected to bolster cinema advertising this fiscal. "The second half of 2018 is better, with blockbusters coming in. Since it is the holiday period, the frequency of visits is higher, and occupancy is better. Advertisers understand that and take advantage of it," says Siddharth Bhardwaj, CMO, UFO Moviez.

Cinema chains, then, are looking beyond just the blockbusters to earn revenue.

Making hay

PVR Cinemas, which has raised its advertising income guidance by 15% for the entire fiscal, believes it will be able to garner enough growth in the third quarter. "There is always a boom in this quarter. This year is no exception," says Gautam Dutta, its CEO.

Advertiser interest has evidently peaked. Unlike the stipulated 19 minutes of adver-



tising time per auditorium during a movie run, PVR says the demand rose to 50 minutes in the first week of *Thugs of Hindostan*.

For INOX, the October-December quarter is crucial for business. "Advertising revenue is directly proportional to the number of eyeballs you garner which increases significantly during the holiday season," says Anand Vishal, VP - sales, INOX.

Meanwhile, UFO Moviez is looking at 15-20 weeks of premium pricing. "Four years back, festive and normal days were priced similarly. Today, premium pricing to us as a network is available for five to six weeks in a

year," says Bhardwaj. With all major releases timed around the long weekend or festive season, brands are looking to book slots weeks in advance, he adds.

Beyond on-screen ads

"We make money by charging a premium for a blockbuster or a mega blockbuster. It could be at a 300% premium too," says PVR's Dutta. The average rate for advertising at PVR Delhi could be as low as ₹30,000 a week to ₹2.5 lakh a week, for the entire cinema with a capacity of 1,100-1,200 seats.

However, multiplexes are not limiting

themselves to premium pricing; they are also exploring strategic brand tie-ups. PVR, for example, discourages brands that only play on-screen ads and instead offers to work on a more sustainable model. INOX, meanwhile, is focussing on experiential marketing while limiting airtime to 15-20 minutes.

For multiplexes, in-cinema advertising is among the fastest growing revenue streams, with a gross profit of 90%, according to KPMG. In fact, in-cinema advertising generated revenue of ₹950 crore in FY18, and is expected to grow at a CAGR of 13-15% over the next five years. Last year, 13% of PVR's

revenue came from advertising and the multiplex chain expects to maintain it. "We generate high advertising revenue per seat, approximately ₹40-45 worth of ad revenue per admission," says Dutta.

Interestingly, with the limitations of on-screen advertising (20-30 minutes per show), growth is expected to come from experiential marketing.

To boost advertising income, PVR is looking at sponsorships, brand alliances and long-term deals. For instance, it has a partnership with Rajnigandha for PVR Gold Class cinemas and Kotak Mahindra Bank for IMAX. Apart from these, it is focussing on 360-degree experiences such as music launches, star visits and foyer advertising, including tie-ups with Amazon and Netflix.

At INOX, advertising revenue would be around 12-13% of ticket sales. This includes on-screen advertising (airtime), activation at the foyer, digital displays and sampling. Vishal of INOX says while the quality of ads has improved, advertisers now also want brand connection at the lobby level; they want to engage customers with the video wall, touch screen panel, etc. For instance, Asian Paints used the ceiling of one of INOX's Mumbai theatres to put its message across.

Investing in premium properties, such as PVR Gold Class and INOX Insignia, has helped these chains earn higher ad revenue. Furthermore, INOX has built a tool with which advertisers can track the ad in real time. This is important given that cinema advertising attracts only 1-2% of total ad spends and only 20% of TV advertisers are on the platform. "Cinema ownership is highly fragmented. Advertisers are still discovering cinema. And as they reap benefits, they will expand beyond blockbusters," says Bhardwaj.