

THE HINDU BusinessLine

Multiplex Davids slug it out with small-city Goliaths; F&B spread among ammunition

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With single screens dying a slow death and the appetite for quality entertainment gaining currency, smaller multiplex chains are finding huge untapped opportunity in tier 2 and 3 cities.

Chains such as SRS cinema, Nova Cinema, Miraj Cinema and Mukta A2 Cinema are building their brands not just by offering better viewing experiences but also enhancing their food and beverage spread and integrating their booking systems with online players such as Paytm.

Miraj, which has a substantial presence in Rajasthan, is planning to invest ₹55-60 crore to set up 37 screens in both metros and tier II cities. At present it has 65 screens.

"We are looking to touch 100 screens by next year. At least half of the new ones will be in tier 2 and 3 cities," said Amit Sharma, MD.

Miraj has formed strategic tie-ups with e-wallets and online players to sell tickets, he said, adding: "We were among the first few players to adopt online payments. We are also bringing in quality cinematic experiences."



Small city, big plans A Miraj property in Vijayawada (file photo)

UFO Moviez India-owned Nova Cinema plans to invest ₹15 crore to set up at least 20 new screens in non-metros by next year. It has already short-listed five franchisees including in Maharashtra, Punjab and Gujarat. The company is targeting close to 2,000 screens by 2020.

"We are looking at a franchisee model to expand in tier 2 and 3 cities, where there is a pressing need for good theatres. We are looking at a maximum of two-three screen theatres in non-metros. There are a lot of mini malls coming up and we hope to rope in local players as franchisees. The idea is to

replicate the multiplex model in smaller cities with F&B ambience and chairs," said Vishnu Patel, CEO, Special Projects UFO Moviez.

India is estimated to have one of the lowest screen counts in the world — eight screens per million heads, compared to 117 in the US and 30 in China. The larger players such as PVR, Cinopolis, Carnival and Inox together have about 2,500 screens. India has 9,000-odd single screens, against China's 40,000, said UFO's Patel.

Faridabad-based SRS Cinemas has grown from a single theatre to a mature player. It has 22 multiplexes across 17

cities, and recently entered several tier 2 cities with two- and three-screen multiplexes.

Online booking

"We have revamped our menu, with an extensive line to cater to all tastebuds. Besides this, users can book F&B along with tickets via BookMyShow.com, bridging the gap between online and on-point sale. We have also introduced a 'women's counter', with special benefits for female movie goers," said Tinku Singh, Group President & Chief Strategy Officer, SRS Group. Subhash Ghai-owned Mukta A2 Cinema, recently expanded its footprint in Bahrain. In India, it has 41 screens.

According to a Deloitte report, one of the major problems of the domestic film industry is the dearth of good exhibition centres.

"When a movie can't display its complete potential, the film dies there. In India, multiplex came into force in the 1960s and paved a culture of film ambience. But today, compared to China, where 14 screens are raised each day, India shuts down 39 screens a day," the report said.