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With leisure spends taking a backseat, exhibitors struggle to sail through the COVID-19 crisis

There will be a lack of consumer confidence, whereby audiences will be reluctant to return, say some exhibitors.



In the wake of Coronavirus lockdown, cinema halls and multiplexes are closed throughout the country since the past many weeks now. This has caused serious repercussions for the cinema industry and the movie business.

With the growing social distancing, audiences might change the way they consume films and move to OTT platforms for the time-being. But there are certain movies that always need the big screen. The experience of watching a movie in the theatre cannot be recreated at home. Cinema has been one of the important leisure options for people throughout the country.

Sharing some of the major concerns of the multiplex business, Rahul Puri, MD, Mukta Arts Ltd and Mukta A2 Cinemas said, "There are many issues that will lie ahead that exhibitors will need to address even after the lockdown is over and theatres are allowed to reopen. Without doubt, there will be a lack of consumer confidence, whereby audiences will be reluctant to return. This coupled with the postponement of most big movies until they are sure of patrons returning, will mean low occupancy for the short term."

“Exhibitors will need to entice patrons via deals, rewards, low prices and of course confidence building measures like alternative seat bookings to ensure social distancing as well as good communication on sanitation and hygiene,” he added.

While the consequences for the entertainment industry might seem less in comparison to the threat the virus poses to human life, it does have implications for the people who make their living making, producing and distributing movies and music.

Shariq Patel, CEO, Zee Studios said, “The film industry has suffered a big setback with multiple completed films unreleased and a halt in production of many films including some of our in-house productions. Since there will be a huge backlog of ready to release films plus an initial hesitation to return to cinema halls, the scheduling of films for theatrical release is going to be a huge challenge for the industry. There will also be difficulties in completing films which are under production as talent dates scheduling will be a nightmare for all producers/ directors. There has been a huge rise in content consumption on OTT platforms during this period and with uncertainty over release scheduling, some smaller/ mid-size films may choose a direct to digital release. However, I think most producers, especially those of the bigger films will surely aim for theatrical releases to maximize ROI.”

The Multiplex Association of India (MAI) has also appealed to landlords across the country to waive off rent and common area maintenance (CAM) for all the multiplex operators during the period of the current nation-wide lockdown.

In a statement MAI's President Deepak Asher said, "As compared to some other businesses, which have seen a revenue drop, multiplex revenues have overnight become zero. This has put us in a very grim situation as we struggle to meet our commitments to pay our staff salaries on time and meet other fixed overheads."

Sharing some of the safety measures that can be taken post normalcy, Alok Tandon, CEO, INOX Leisure Ltd said, “We will have to innovate and think differently to ensure social distancing once the cinemas resume services. We will continue to carry out non-invasive temperature checks at the entrances. Hand sanitizers will remain available across the floor. Deep cleaning and disinfecting processes will continue to remain intense.”

“Cross-allocation of seats is one measure, which would allow us to ensure that two guests are not assigned adjacent seats. We will have to block the seats accordingly, so that the seats are available in this manner, whether booking at the box office, or on an online platform,” he added.

The film distribution and exhibition business has also faced ripple effects of the multiplexes being shut throughout the country. Kapil Agarwal, Joint Managing Director, UFO Moviez mentioned, “It is not the time to count our losses right now but it is a question of our survival. We have to reduce our expenses so that we can survive for the longest. We have not taken any measures of laying-off our people and have paid 100% salaries to most of our employees. The top minds of our company are working together to figure out how we can leverage the existing infrastructure during the lockdown period and multiply it once the lockdown is over.”