

Title

Present Trends and Future Course of Box Office Success in Bollywood

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Abstract

Indian film industry makes over 1000 movies annually of which a substantial portion is produced by the popular Hindi film industry known as Bollywood. The paper studies 50 Hindi movies from 2013 to 2017. Movies are selected on basis of profit percentage earned from box office collections. The paper studies the Box Office data and trade reports of FICCI through a descriptive statistical study. It argues that firstly the standard idea of blockbuster by casting super stars being the highest profit-making product has been seriously challenged. Secondly, low budget films with issue-based content have featured in large numbers in the list. And, finally, structural changes are observed in the profit-making model while producing a film.

The paper suggests that the future success of Bollywood films will be dependent on content driven product targeted to niche market especially in smaller urban centers. It will also depend on localization of the narrative thus bridging the gap between regional and pan-Indian Bollywood films. Moreover, the success of the films will depend on the innovative use of social media as marketing tool and digitization of media production.

Key words: Bollywood, box-office, content driven film, multiplex, niche market

Introduction

This paper tries to create a fluid model of probable factors that essentially defines the present trends of Box Office success of Bollywood films. It uses an admixture of qualitative research

looking intensively on the content specificity of the successful films and an empirical observational statistical study of the data obtained from the box office records and trade reports. It argues that the traditional methods of ensuring success like the star power and big productions are a thing of the past. The present trend and the future course of the success of Bollywood films will depend upon niche content generation, character driven narrative, and creative use of digital technology.

Review of Literature

In the essay, "*Bollywoodization*" of the Indian cinema: cultural nationalism in a global arena Ashish Rajadhyaksha (2003, 25-38) suggests that Bollywood at the outset in the nineties should not be considered as a film industry synonymous to popular Hindi cinema based in Bombay since 1947 and now Mumbai after the city was renamed in 1995. He argues that there is no clear trajectory of the box office success of films distributed abroad during this time. While in the South Asian diaspora of USA, UK and Australia the Hindi films from major producers like Yash Raj Films make sizeable fortune. However, those films can reach the western market due to an existing distribution network and substantial capital investment closely guarded and controlled by big production houses. It was practically impossible for small productions to get a release abroad in the nineties. Discussing on the lack of clear data of the success of a film, Rajadhyaksha pointed out the popularity of Rajinikant, the megastar of Tamil cinema in Japan. He also alluded to the popularity of Mithun Chakraborty and erstwhile Raj Kapoor starrers in former soviet countries during the 1980s and 1950s respectively. From his exploration of the travel of Indian films to foreign markets, he opines that there is no predictable course of action for ensuring success of Indian films unlike Hollywood productions. They are at best happy coincidences. However, if one considers Bollywood as an umbrella term and brand, in other words a culture industry that disseminates a homogenized version of Indian culture, then the recipe for the success of Bollywood can be deciphered.

In present situation, however Bollywood has become synonymous with popular Hindi film industry. This is because the film industry was entering a conglomerate phase of business in the nineties facilitated by the 1991 economic liberalization and deregulation of the market. During the nineties described by Rajadhyaksha, it was still in a transitional phase when Indian film

industry suddenly entered the neoliberal business model of late capital from an artisanal form of disorganized informal set up that has been the norm since its inception with brief period of an effort to capitalist production during the studio era of the 1940s and 1950s. However, in this paper we are considering an industry that has matured and is firmly aligned with the conglomerate form of film business. Therefore, here Bollywood is by definition a creative industry where film is one of the many cultural products in a symbiotic relationship with products from ancillary industries like FM, Fashion, Life Style and Music.

Ashwin Punathambekar in his book, *From Bombay to Bollywood: the Making of a global Media Industry* (2013) notes the shift of Bombay cinema to Bollywood in the nineties. He describes two major watershed moments in order to put things into perspective. First, in 1998, the then central government lent film industries of India industry status for the first time since independence. It means for the first time Indian film industries could access formal finance. This gradually brought an end to the clandestine sources of film investment and grasp of Mafia on film production. Second, the liberalization policies of the government attracted direct foreign investment especially in service sector eventually creating the robust media industry of today. Punathambekar suggests that Rajadhyaksha's thesis of the misnomer of Bollywood as Bombay cinema can be solved by making it more specific to Hindi cinema, treat other regional cinemas individually, and study their changes with the formalization of the film industry in India. He argues that in present times, Bollywood is Bombay Cinema for three major reasons. First, the involvement of the state in the narrative economy of the films has changed from the representation of the national space to a wider transnational domain with global ramifications evident in the exploration of the diaspora. Secondly, re-invention of Mumbai as a global city in sync with other major cities like New York, London, Shanghai and others as a vital nodal point in the global economic geography. The presence of Bollywood in Mumbai not only is premised upon the city being the media and economic capital of India but as a city that has transitioned from the industrial capital city of Bombay to a global neoliberal city of Mumbai. Thirdly, in the new millennium there is mammoth rise in the media industry where several elements have expanded to unprecedented proportions.

In *Bollywood and Postmodernism: popular Indian Cinema in the 21st Century* (2015), Neelam Sridhar Wright begins her study at the opportune moment of 1998 when Indian cinema got

industry status. She explores “post-millennial cinema” (11) or contemporary Bollywood, which is also the area of introspection in the present paper. She looks at the cultural economy of the content, its postmodern overtones in contrast to the traditional cultural representation of India in the early Bollywood films of the nineties. She argues that the present films can be characterized by the following tenets. One, she explains the use of pastiche, parody, and self-reflexivity of the bygone era of Bombay cinema as a cross referential rubric in the body of the text and its dissemination. Two, she investigates the “postmodern politics” (12) in recent films. Three, she identifies “the difference between cultural mimicry, which is intrinsic to Indian cinematic tradition and postmodern blank pastiche or parody in recent Bollywood cinema” (12).

Tejaswini Ganti in *Bollywood: a guide book to Popular Hindi Cinema* (2013) clarifies several misconceptions about the term Bollywood. She notes that Bollywood has been used as a “tongue-and-cheek term” (2) used as a spin off to Hollywood constructed by the elite English language press of India in the late 1970s. It gained real value as a term only in the nineties in the pages of Bollywood Bytes in the glossy coffee table magazine called *Screen* and the Channel-4’s invention of a cinematic simulation of Indian culture for the diaspora in UK reminiscent of home away from home. Derek Bose in *Brand Bollywood: a New Global Entertainment Order* (2006) describes the celebration of neoliberalism and new found freedom in the media industry after liberalization in 1991. His work resonates the common consensus during the early years of Bollywood as a global brand slated to become the next big thing in world media toppling the cultural hegemony and economic prowess of Hollywood. Jigna Desai in *Beyond Bollywood: the cultural Politics of South Asian Diasporic Film* (2004) explores the complex relationship of Bollywood beyond its shores and the issue of crossover films. Sangita Gopal in *Conjugations: Marriage and Form in New Bollywood Cinema* (2012) defines the contemporary Bollywood and its distinctive features in the context of conjugality. In *Cinema of Interruptions: Action Genres in Contemporary Indian Cinema* (2003), Lalitha Gopalan made a seminal study of the way one approaches Bollywood films while viewing and during the making of the film.

In the essay entitled *Predicting the Success of Bollywood Movies using Machine Learning Techniques* (2017), Jaiswal (et.al) employed machine learning that involved coding a program on Python for extracting data from YouTube to determine success of Bollywood films between 2011 and 2016. The data was collected after pruning from 957 films according to following

criteria: “Sentiment Polarity; YouTube Statistics; Lead Actor, Actresses and Director’s Ratings; Critics Reviews; Movie Related Statistics; Run Time; Budget; Simultaneously Released Movies; Holiday; Music Store; Censor Rating; Genre; Number of Screens.” The descriptive statistical analysis of their study reveals that popularity of songs has a large impact on the box office success whereas releasing movies on holidays have little or no impact. The limitation of such a study clearly is the inability to provide any reason for such behaviors. Moreover, the data gathered cannot be used to predict any model that can definitively instruct the position, number and exposition of the songs to ensure a clear choice of the viewer. Furthermore, if the traditional belief of releasing films on Fridays and during major festivals are faulty, then why at all they continued to be followed. Therefore, the essay is expected to provide suggestions to precisely map the best possible release time of a movie.

In the essay, *Role of Different Factors in Predicting Movie Success* Bhavne (et. al.) the solution proposed is prescriptive without any clear direction. The data collected and analyzed based on two parameters of success namely Box Office collection and Critic’s Ratings. The authors have identified the processes and personnel directly associated with the production of a movie such as cast, director, producer, production cost and so on as classical factors. They have named the receptions of the viewer recorded in social networking sites as the social factors. In conclusion, they have prescribed for accumulation of more data to come to any substantial result. In *Spatio-Temporal Visualization model for Movie Success Prediction based on Twitts*, Wijekoon (et. al.) proposes a similar study. The authors have used several visualization and surveillance models they call “Spatio Temporal Visualisation Model” using existing models such as Space-Time Composite Data Model and Space-Time Cube Operations to detect and derive real time data and geographic location of the chatter about movies in virtual space. However, the paper never addresses the fundamental flaw to such an essentially surveillance based endeavor, which is, what one should do with a massive load of disparate content on the web.

In *Hit or Flop: Box Office Predictions for Feature Films*, Cocuzzo (et. al.) used a more extensive set of variables to predict movie success in Hollywood after going through the entire IMDB database that includes entries of over 700000 films from 3 million titles. After pruning, 4260 titles having full set of data. The information about the films is collated according to major elements of film production like cast, direction, budget and so on. Following Naïve Bayes

assumption technique and Support Vector Machine Formulations shows a complex matrix of the movies' life after release. They propose that these overtly empirical methods are insufficient and erroneous on its own if one does not consider that critical analytical study of the films and its reception. In terms of the present paper, however similar parameters are used with two major omissions. First, the tests applied could not be effectively employed in a significantly small data set used here without large computational adjustment. Second, the stable Hollywood industry allows well-maintained archives to work with such set of data, which is almost impossible in case of Bollywood that is just about learning to maintain proper database since the last decade.

In *Does Film Criticism Affect Box Office Earnings? Evidence from Movies Released in the U.S. in 2003*, Timothy King notes that the availability of film reviews in newspapers, magazines, and websites generates positive or negative perception in the critical opening weeks. Film critics are perceived 'objective' because they are as explicit in their recommendations as Consumer Reports is about other consumer purchases. Moviegoers comprise younger audiences, but critics are mostly directed towards an older audience who read newspapers. Holbrook (1999) hypothesized that audiences preferred simple entertainers while critics rated "limited release", complex, abstract movies like documentaries and foreign language films higher. For smaller films, reviews highly influence gross earnings. However, even excellent reviews fail to propel distribution. For bigger films, the collective influence of film critics is low. There is a widespread dispersion as good reviews gets cancelled out by poor ones. "Trailers" and marketing campaigns influence public opinion more strongly than film-reviews and drive higher box-office earnings during the opening weekend. Advertising may not draw out criticism but can blunt it initially. For example, *Amazing Spider Man 2* opened to 5400 screens with popular appeal despite terrible reviews. In 2003, empirical results found absence of correlation between film criticism and gross movie earnings. In case of Bollywood, the effect of film reviews rarely has any significant impact in the box office outcome of the movie. In the present scenario, one can argue that the word of mouth review in social networking sites may have a significant impact and should be explored.

In "The Power of Stars: Do Star Actors Drive the Success of Movies?" Anita Elberse opines that star participation positively affects movies' revenues as they trigger the "green light" by securing resources from investors, producers, distributors and exhibitors. Films acquire more prominence by virtue of "star" association, making it easier for a film to succeed over competitors. Ravid

(1999) mentioned two types of reputations in “star-power”: an economic reputation, derived from their past box office successes, and an artistic reputation, derived from the recognition of critics or peers in the form of awards and nominations. This helps studios during talent recruitment and management efforts. Stars can fully capture their “rent,” the excess of expected revenue over what the film would earn with an ordinary talent in the role (Caves 2003), making ordinary talent and stars equally valuable for a studio that aims to maximize shareholder value rather than revenues. The contribution of a “star” also depends on the number and the strength of the other star cast members attached to the project. Positive association with other “stars” brings healthy competition but negative association brings jealousy. Thus, betting solely on one A-list star is not the best strategy; each star needs to be considered with respect to the other star cast members. However, Alchian and Demsetz's (1972) stated: “Filmmaking is essentially a team effort that brings together a range of creative workers, and identifying and rewarding the relative contribution of the individuals involved is intrinsically difficult because the product is not a sum of separable outputs of each member. These interdependencies severely complicate talent recruitment and compensation decisions.”

The extensive review of the extant literature above suggests that there is a need to assimilate content based critical studies with empirical and data centered studies using predominately machine learning. The review also brings into light the complexity of factors that drives a movie to success and there is usually a new variable into play every time data is collected and analyzed. Therefore, this paper suggests a methodology that does not endeavor towards a universal model, a one-size-fits-all strategy while studying the probability of success in a set of recent films in Bollywood.

Methodology

The films in the present study are selected solely on Box Office data obtained from established sources. It is believed that apart from profit percentage every other factor for selection like cast and crew are to an extent subjective with relative judgement to be made in regards to the selection of data and omission of data. The observations made are entirely based on two planes. First, the critical review of the narrative structure and cinematic representation of a particular content. Secondly, the relation between production cost, star value and driving factors like

content are studied to come up with the initial steps towards a comprehensive model to predict movie success in Bollywood. The present study employs critical content analysis and observational statistical study on a sample size of 50 films from 2013-17 based on Box Office collection.

Observation & Analysis

Data Structure

For this research, 50 Hindi Bollywood movies were selected from 2013-17. The selection criterion of a movie was based on profit percentage earned according to box office collection. The formula used for calculation of profit percentage is,

$$\text{Profit \% (PP)} = \frac{\text{Total Net Gross (N)} - \text{Budget (B)}}{\text{Budget (B)}} \times 100$$

Where

Total Net Gross (N):

This is the amount collected at the box office minus entertainment and service tax. Cinemas across India report this figure although multiplexes now also report gross figures. Most films have territory figures but some small budget films on few prints have only a final total as they collected very slowly over time. A film released with one or two prints can be collecting 5-10k somewhere a couple of years after release. With such low figures, it is easier to put up cumulative figure (www.boxofficeindia.com)

Budget (B):

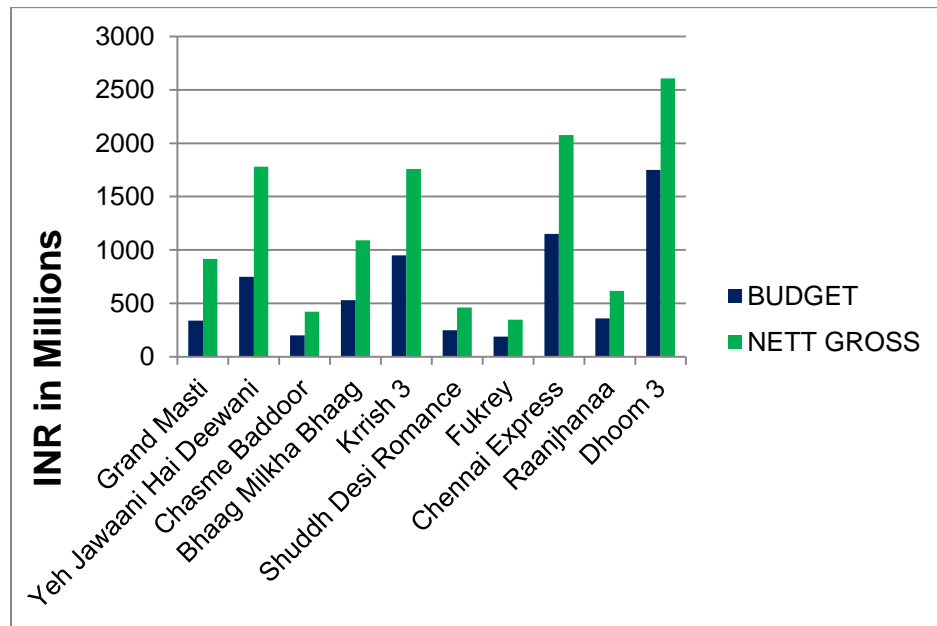
This is the approximate cost of the making and releasing of the film (Production budget plus prints & advertising). It is not the price the film has been sold for, if sold. There are some films where talent is not on remuneration but profit sharing so fair market value for that talent is added to give a clearer picture. The small budget films are judged with release patterns and the cast. In the past, some of these films took out just 1 or 2 prints and these were exploited whenever they got a cinema to play them in keeping print costs to a minimum. These figures are approximate

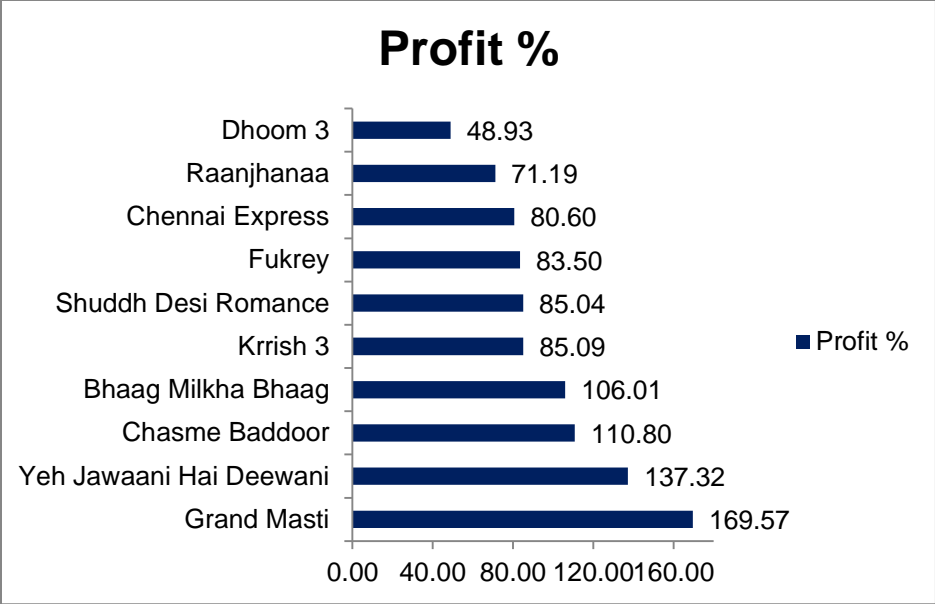
guide, as only makers know the exact figure. With box office figures there are theatres collections to validate a figure but with budgets, there is nothing to validate them. (www.boxofficeindia.com)

Top 10 movies having maximum profit percentage earned in a particular year were selected for the study. The data was collected from www.boxofficeindia.com. To verify the validity of data, trade reports for past five years were studied. All trade reports including FICCI KPMG, PWC, IBEF and various websites related to Bollywood industry reports like IMDB, koimoi.com and national newspapers like Hindustan Times and Times of India also presented their Bollywood articles on basis on data provided by www.boxofficeindia.com

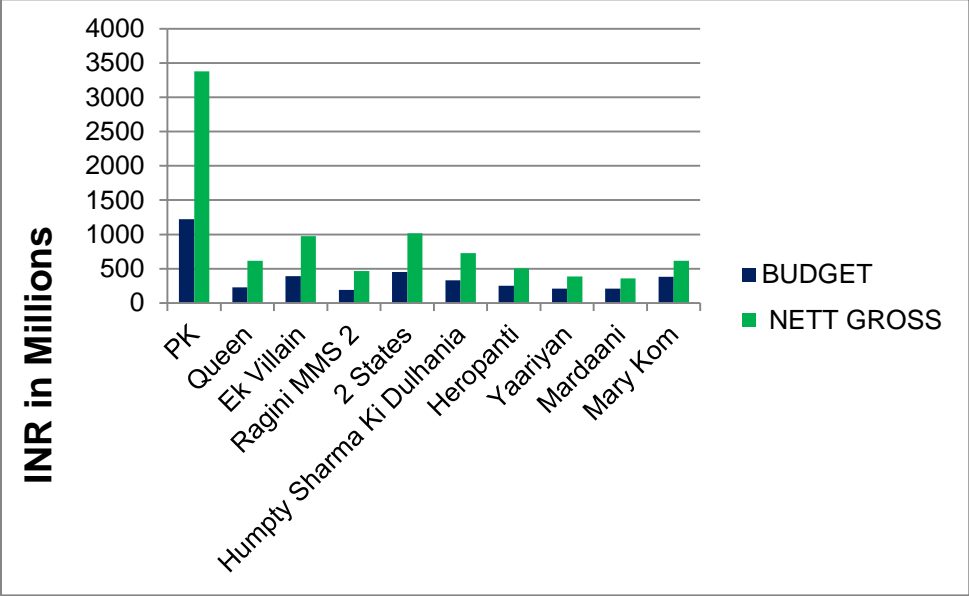
List of Movies:

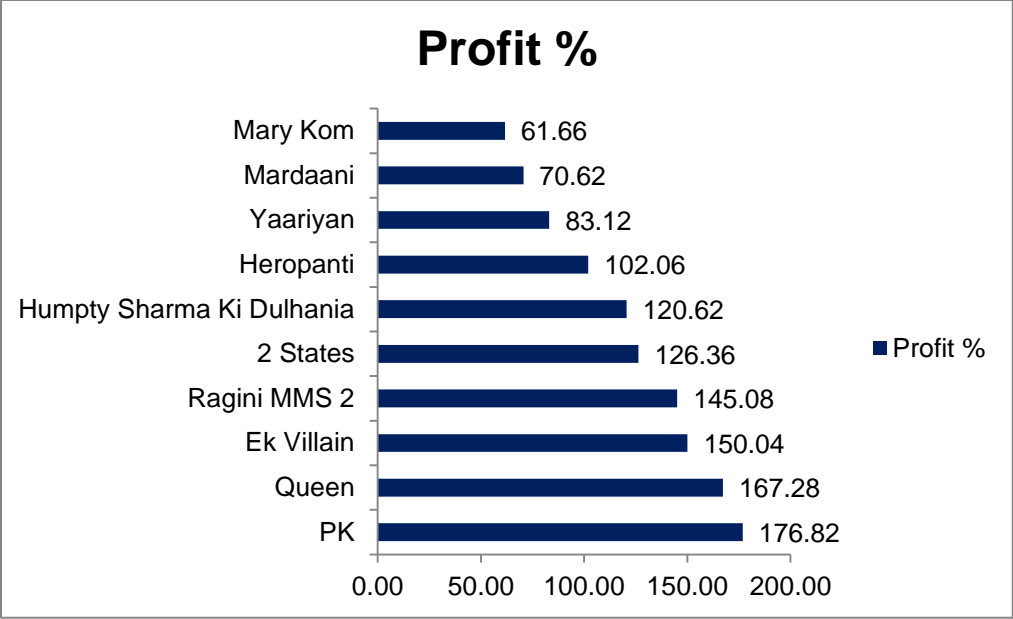
2013



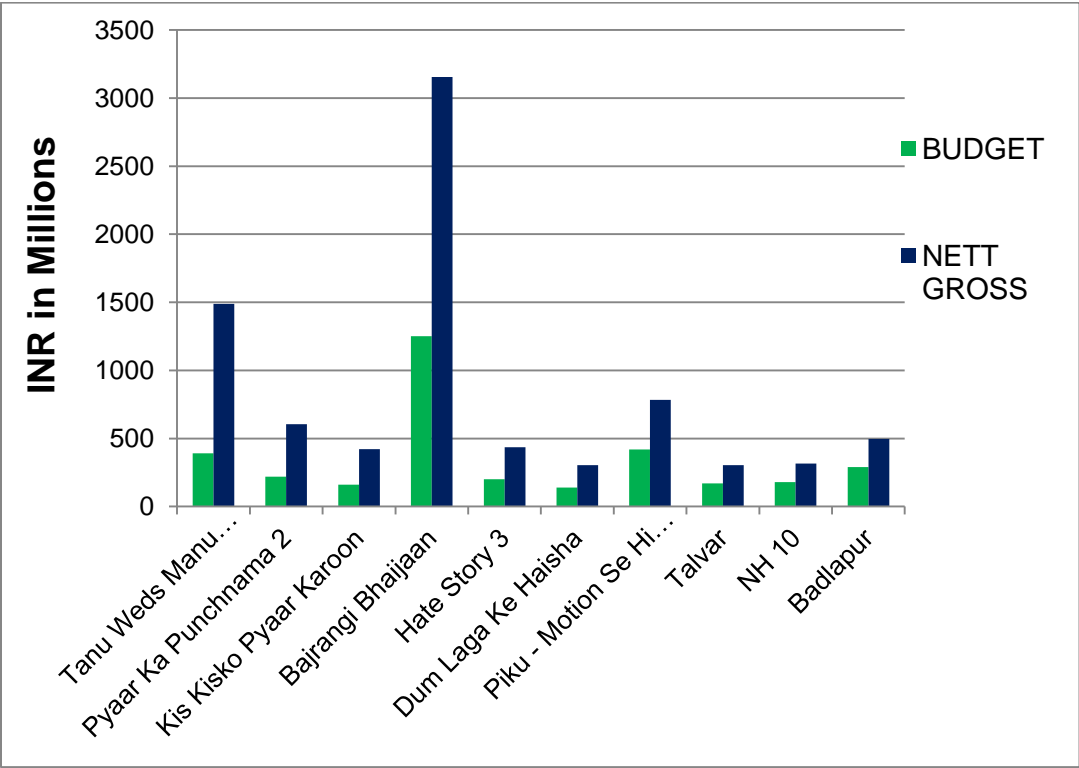


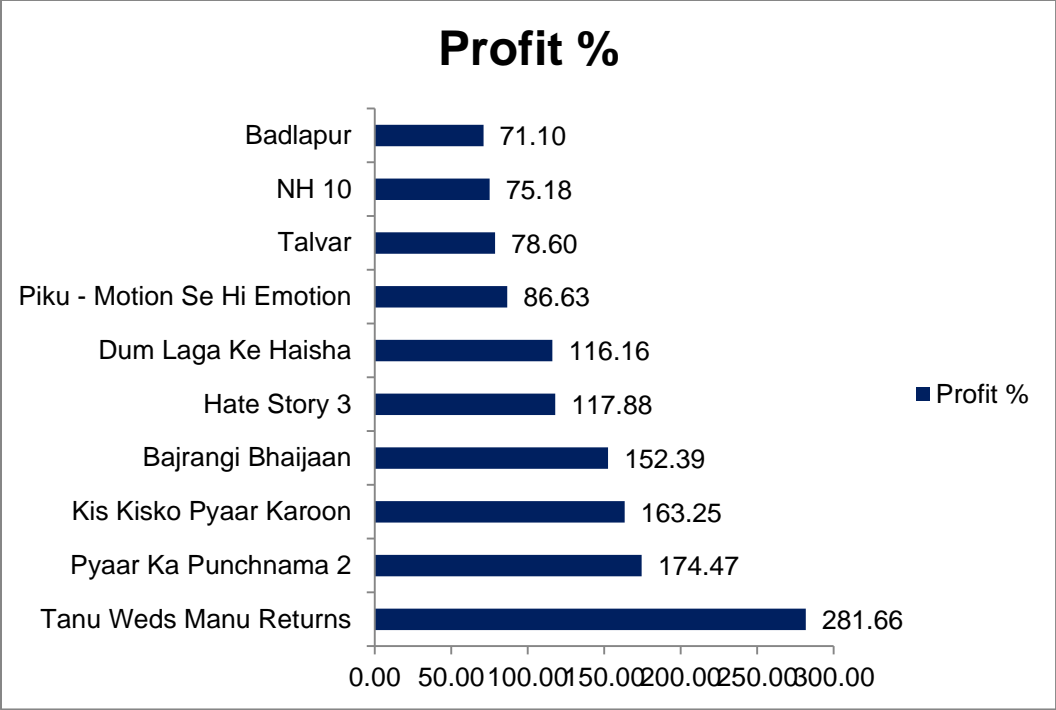
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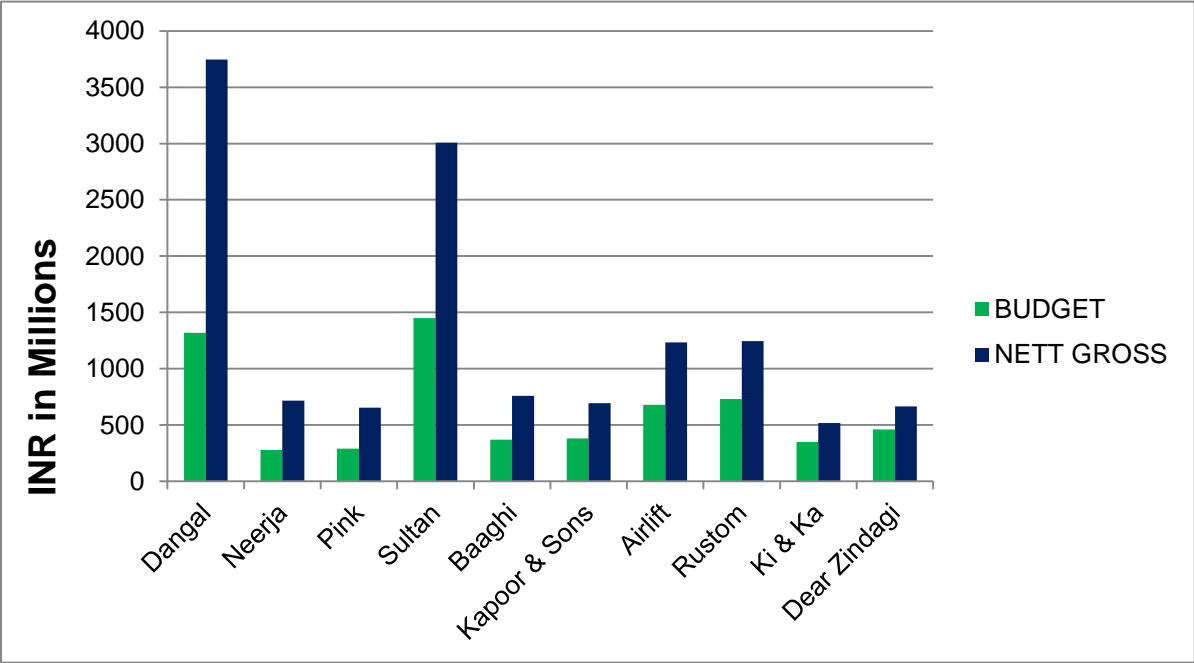


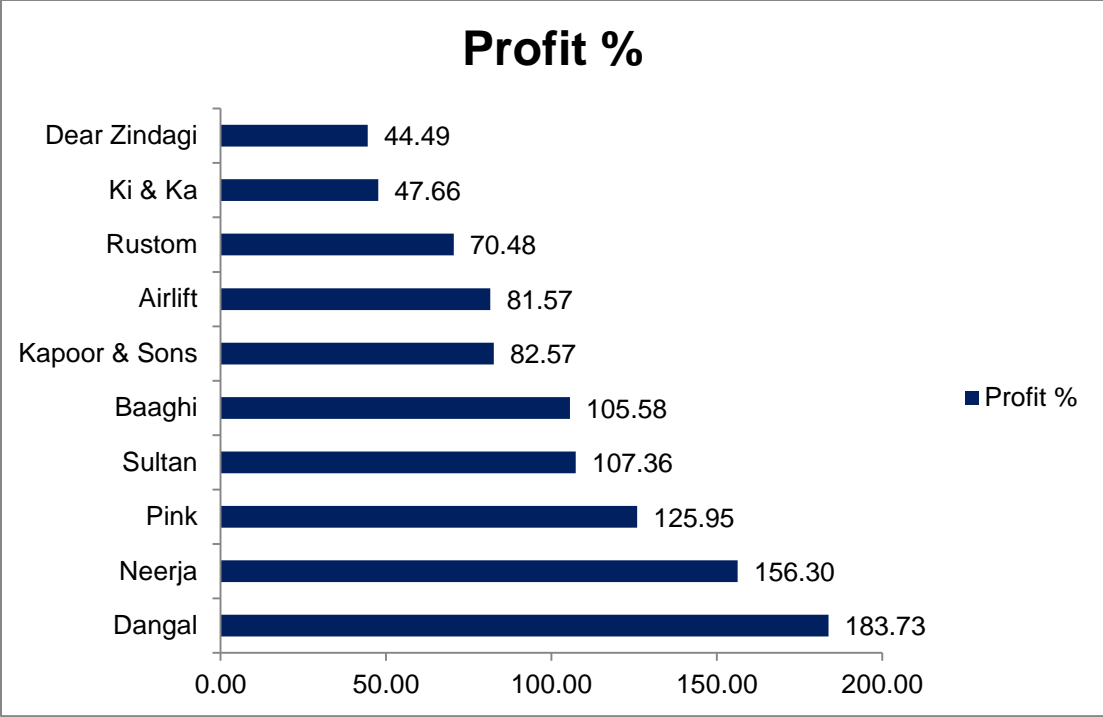
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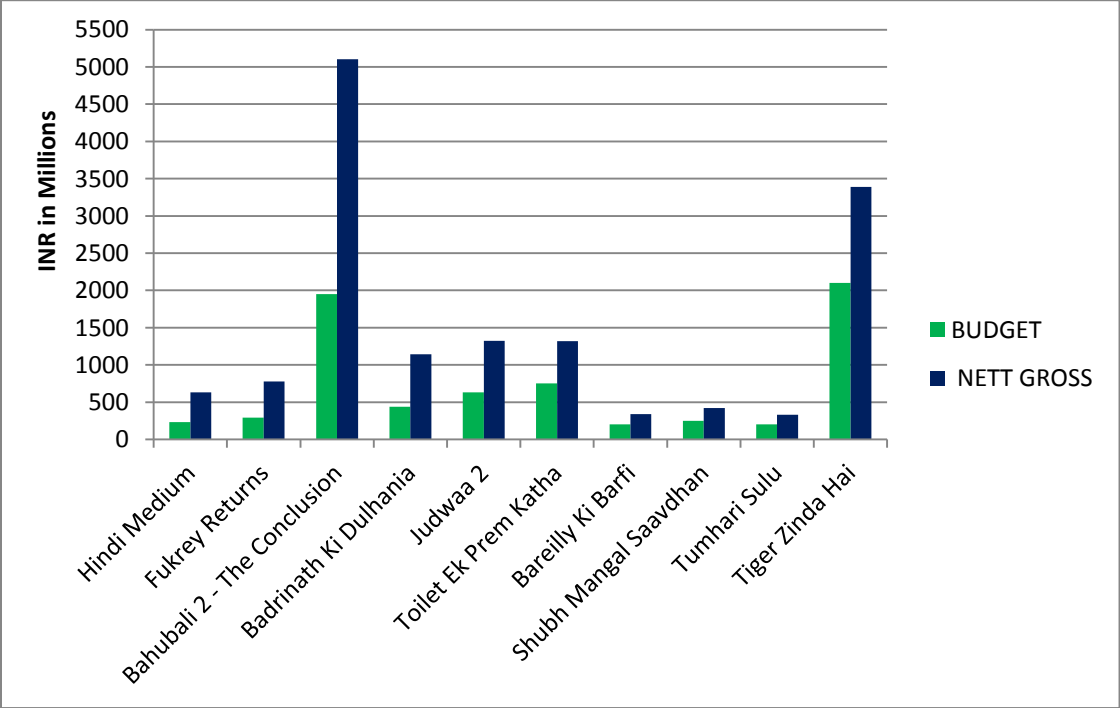


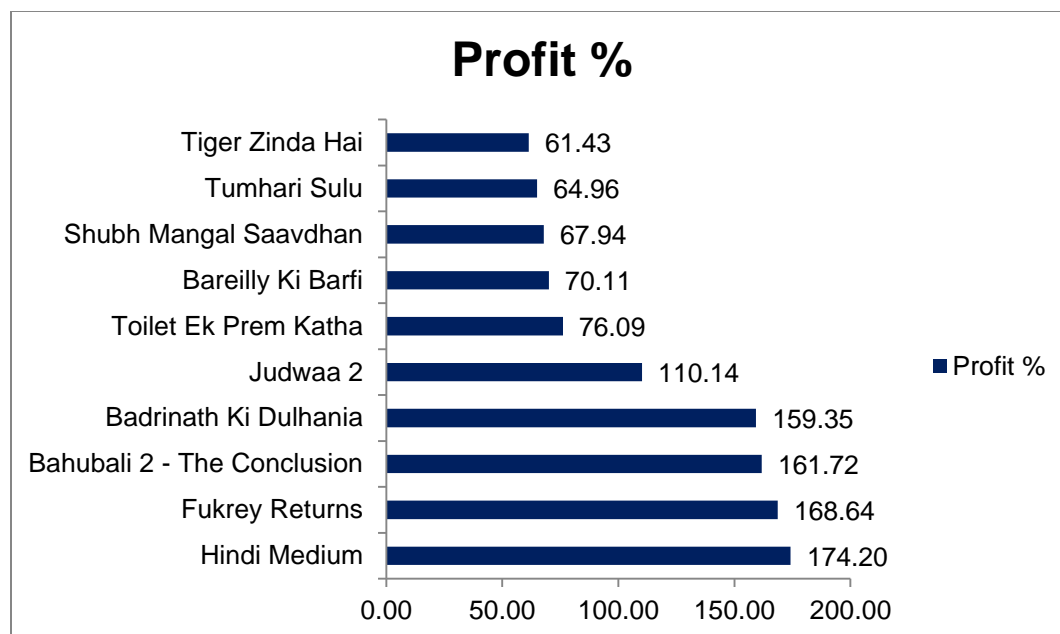
2016





2017





The following are the salient features of the Trade Reports:

In the report, *FICCI KPMG – BACK IN THE SPOTLIGHT* (2010), it is observed that in 2009 the Oscar success of *Slumdog Millionaire*, especially that of Indian music director, A.R. Rehman enthused interest among major Hollywood studios like Warner Bros producing *Chadni Chowk to China*. The major reason for loss of revenue in most Bollywood productions were lack of well written scripts and able personnel apart from the usual suspects such as piracy and unfavorable laws. The high point is the emergence of Multiplex as the dominant mode of exhibition and increasing investment on regional cinema.

PWC INDIA ENTERTAINMENT & MEDIA OUTLOOK (2011) notes a negative growth of 7.9% in Industry as box office revenue dipped by 12.7% mainly due to the closing down of over 1000 single screen theatres. However, taking advantage of the tax exemption for 3 years, Multiples flourished. Overseas collection from traditional family dramas continued declination but *My Name Is Khan* earned INR 900 million overseas. Regional film *Endhiran/ Robot*: grossed INR 3.75 billion breaking records. Big-budget films like *Raavan* and *Kites* failed to interest audience. Small-budget films with better content like *Peepli [Live]* ,*Band Baaja Baaraat* ,*Love Sex Aur Dhokha*, *Tere Bin Laden*, *Khichdi - The Movie* and *No One Killed Jessica* recovered

about 50% of their box office collections within the first week. 3-D films like *Avatar* and *Toy Story 3* had begun screening in multiplexes. Innovative marketing methods on social media platforms began with *Zinda*.

FICCI KPMG – #SHOOTINGFORTHESTARS (2015) opines that the gap between A-listed movies and films ranking from 21 to 50 dropped by 11.3%. The industry is rapidly expanding in tier II & III cities with increasing digitization of screens. The maximum box collection is now targeted to the first week of the film's release. *PK* made INR 3.3 billion. The promotions were focused on digital platforms- like YouTube, Twitter, BookMyShow and song launches. Regional cinema performed well as 287 Tamil, 255 Telugu movies were released. Punjabi film *Chaar Saahibzaade* earned INR 700 million. Small budget films like *Haider* and *2-States* performed well in pan-Indian market. Carnival Cinema entered market acquiring HDIL Broadway, Reliance-owned Big Cinemas and Network18's Stargaze. By 2014, major multiplex chains PVR, Inox and Carnival Cinemas have 462, 365 and 330 screens respectively.

FICCI KPMG – MEDIA FOR THE MASSES: THE PROMISE UNFOLDS (2017) notes that in 2016, overall box-office collections declined. Only 26 movies garnered INR300 million (in net) and further, just 7 movies crossed the INR1 billion mark. The audiences have become more selective in their content consumption. Differentiated, message-based quality content became indispensable for successful movies. Demonetization hit the country and Bollywood movies with weak storylines had a negative impact. *Airlift*, *Pink* and *Neerja* did much better than *HouseFull 3* or *Fan* indicating high budget could not secure profitability. Single-screens were steadily closing due to lack of infrastructure, low flexibility and ticket prices. Multiplexes took advantage of low screen density.

FICCI EY – RE-IMAGINING INDIA'S M&E SECTOR (2018) observes that in 2017, Industry grew 27% with increased sale of satellite and digital rights. Nine films crossed the INR1 billion mark and top 50 films contributed 97.75% of net collections. Strong storytelling won from the evident successes of *Lipstick under My Burkha* to *Newton*. Most films shifted their settings from dreamy locations abroad to tier-II and tier-III cities like Varanasi, Bareilly and Lucknow. The films have more layered scripts and characters, which are relatable to the middle-class audience. In regional films- Tamil *Arjun Reddy*, Marathi *Kacha Limbu*, Punjabi *Manje*

Bistre and Bengali *Amazon Obhijaan* earned INR 250, 150, 486 million respectively. Multiplexes acquired most single-screens and expanded into untapped market of Orissa and Chattisgarh. GST Implementation put cinema under tax-bracket of 28% for tickets priced above INR 100 discouraging cinema-goers. OTT Video on Demand platforms like Netflix, Amazon Prime, Hotstar, Voot and ALT Balaji emerged to reduce risk of lower footfalls and also increased revenue for films.

Results

The Observational Study of the Box office statistics and industry reports coupled with a critical review of the film's content in terms of narrative, cast, character, star, and social relevance of the content, the following results can be drawn.

- The standard norm in the industry that Blockbuster films with high production cost, famous star cast with high brand value, and large investments on marketing has been proven erroneous. Blockbuster alone no longer ensure movie success in Bollywood
- The Multiplex screen with high resolution digital screens and smaller sitting capacity but high occupancy rate are preferred mode of exhibition. Thus, investment on large cinema scope production and movies demanding grand scale in production is unprofitable
- The content driven film especially those stories that are fresh in public memory and in circulation in the social media forums is the central factor of Box office success
- The industry reports corroborates the fact further by confirming that audience have become selective with content and preferred niche production with strong narrative rather than grand spectacle with an ensemble cast
- One of the significant developments analyzed from the data is that in the contemporary Bollywood there is an increasing use of regionalism in film content and selection of specific narrative related to the growing urban middle class.

Conclusion

The present paper analyses fifty Bollywood films between 2013-17 in terms of its profit percentage from box office collection and through the textual and cinematic content. It employed an observational statistical study and a critical content analysis to arrive at the conclusion that the Box Office success in contemporary Bollywood is dependent on generating content with immediate social relevance. The success rates of the films are dependent on character driven narrative, strong socially relevant content, and produced with niche urban audience with high paying capacity in mind. The future of the Box Office success in Bollywood will depend upon how quickly the industry take lessons from the new world of web based visual production, and whether Bollywood is ready to cater to a diverse and matured audience who are deviating substantially from the traditional mode of watching popular Hindi cinema.

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