Chapter 12
The Impact of Indian Movie Industry on Marketization of India, Inc.

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ABSTRACT

This chapter focuses on how the Indian film industry has helped market “India Inc.” to the outside world since the Government of India accorded ‘industry’ status to the business of film-making in 1998. Specifically, this article focuses on how the biggest film industry in the world went through decades of chaotic and unprofessional managerial regimes to acquire the status of one of the most sought-after marketing platforms by different entities—both Indian and international. The chapter also discusses how the ‘marriage of convenience’ between Indian film world and the game of cricket added fuel to the marketization of the Indian film industry. Overall, this chapter leaves the reader with several interesting and groundbreaking ideas for future research.

INTRODUCTION

Indian movies boast of a worldwide audience spanning across almost six continents (3.3m viewers in North America, 2.3m in UK, 2.6m in the Gulf States and 1.1m viewers in South Africa as its biggest markets). The Indian movie industry produces arguably more than 1000 movies a year (which translates to almost 3 movies a day, including weekends). At its peak, the Indian movie industry churned out an incredible
1325 films in 2008 and 1255 films in 2011. India was way ahead of second ranked US, with 819 films (Gonzalez, 2013).

Until a couple of decades back, however, the Indian movie industry was still entrenched in post-colonial managerial practices run only by a handful of movie houses, production companies and studios, that used to be managed by patriarchal individuals/families (the likes of Kapoors, the Chopras etc.). This handful of movie houses called the shots and controlled each stage of movie production from ideation to commercial screening. Major movie production responsibilities were executed by a few experienced film personalities who had been around long enough to navigate the circuitous alleys of the industry, and who knew which strings to pull and whose palms to grease in order to get their jobs accomplished.

However, since the Government of India accorded ‘industry’ status to the business of film-making in May 1998—often referred to as the ‘corporatization’ (Punathambekar, 2013) -- the entire film landscape has undergone a sea-change. In the space of the last 18 years, what was so far a disjointed non-organized conglomeration of powerful individuals from the movie industry was catapulted on a trajectory of transformation towards a ‘modern’ organization… an organization that began to work in a more professional and corporate-type model.

The bold step of giving a corporate structure to the Indian movie industry by the Indian government also had both short and long-term consequences for the Indian entertainment sector in general and the film industry in particular. It changed the perception of the film world both in the eyes of the Indian populace as well as industrialists. The Indian intelligentsia began to take Indian movies more ‘seriously’, care about ‘good’ movies, and began to contribute to the development and growth of the movie medium in a positive manner through constructive criticism and intellectual participation.

Moreover, from a business perspective, the government’s formal approval spurred development of in-house, structured and more professional movie establishments such as directorial, financial, technical, scripting, editorial and other infrastructural ventures. Concurrently, the formal recognition of the Indian movie sector as a mainstream industry ‘upgraded’ the outlook of the Indian film sector to the outside world.

Foreign collaboration and participation in Indian movies -- both in acting and otherwise -- are not new. But what the Indian government’s action did was to open up exponentially bigger and better opportunities in terms of joint collaborations, sharing technical expertise, distribution, financing and copyrights. And this sea-change in perception happened both ways. While foreign movie houses and venture capitalists began to show interest in Indian movie operations, Indian industrialists, on the other hand, purchased stakes in western companies (such as Anil Ambani’s Reliance Industries partnering with Spielberg’s DreamWorks Studios), even as
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