



THE ROAD AHEAD...

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It may cost a lot but in-cinema digital advertising holds the promise of mouth-watering revenues for exhibitors

★ SAGORIKA DASGUPTA

There's no escaping it and advertisers are already having a field day with it. Now, cinema halls are discovering a new way to milk the 'D' word. So after digital screens, is digital advertising the next big thing for exhibitors?

Though expensive, multiplexes in India successfully made the switch to digital screens, taking viewing pleasure to a different level. Encouraged by this, many are now warming up to the prospect of in-cinema digital advertising.

Though it may not be a low-priced technology by any stretch of imagination but with the promise of bigger revenues, it's also very tempting.

According to a survey by Zenith Optimedia, a media buying agency, globally, the cinema advertising market is pegged at \$2,664 million for 2009, with the figure climbing to \$2,910 million by 2010. Contrast this with digital advertising in cinemas in India, which is currently estimated at Rs 500 crore.

Digital advertising entails the delivery of ads via satellite to cinema halls across India. The biggest advantage is that an ad campaign can be launched nationally or in select regions in the shortest time. Digital advertising taps markets not just across metros but also B and C cities.

Explains Utpal Acharya, Vice-President, Programming and Distribution, Inox Leisure, "Consumers can flip through ads in almost all mediums of advertising, whether TV, radio, print or outdoor. Cinema advertising is both cost-effective as well as focused as the advertiser has access to the undivided attention of a captive audience. Advertising through digital cinemas ensures assured playability as well."

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analog system. In the latter, prints develop scratches and scars over time. Also, since there is only one hub to upload these advertisements to one site, it takes less time to telecast these advertisements.

Advertisers can also track whether their ads were screened in a multiplex or not and also record the exact time of screening. Transparency in cinema advertising is hugely beneficial for advertisers, who are increasingly attracted to this medium.

Digital advertising could bring in more revenue for multiplexes too. Advertising revenue currently accounts for 10 to 12 per cent of an exhibitor's total earnings (65-75 per cent from box office collections and 30-35 per cent from food and



क्यों कोई अमीर, कोई गरीब पैदा होता है?

क्या यह है राज किसी पिछले जन्म का?

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- DEEPAK RANJAN,
HEAD OF ADVERTISING SALES,
UFO MOVIEZ

beverages). Industry experts claim that with technologies like digital advertising, ad sales can boost revenue from this source to as much as 30 per cent.

It's no surprise then that advertisers with companies like Scrabble, Sathyam Cinemas, Pyramid Saimira, E-city and Cinemeta have hopped onto the digital bandwagon.

Deepak Ranjan, Head of Advertising Sales, UFO Moviez says, "Digital advertising provides advertisers with a lot of benefits as it is very lucrative. Some major issues like costs and logistical problems are eliminated. The market for digital advertising is growing and will experience tremendous growth once the number of digital screens increases."

He adds that companies like HUL, P&G, Idea Cellular and BSNL are among the loyal customers who opt for digital advertising. "With a reach of 1,400-plus cinema halls running 30,000 shows per week, digital advertising reaches around 4 crore individuals per month, providing advertisers great value for money," says Ranjan.

Many multiplex owners also believe that while advertisers are hankering after media platforms like television, where the

price of a ten-second ad spot is around Rs 1 lakh, digital advertising in cinemas is a far more viable option.

Alternatively, in cinemas, advertisers need to pay between Rs 20,000 and Rs 25,000 for a three-day ad package to advertise in metro cities like Mumbai, and around Rs 10,000 in cities like Lucknow.

However, ad rates vary with show timings, a film's popularity and the condition of the cinema property. An ad slot for a popular film during the evening show may cost 20 per cent more than during the morning show.

Here's another plus. It costs a mere Rs 50,000 to Rs 60,000 to convert an advertisement to a digital format. Duplication costs are also minimal as ads, once delivered, are stored on servers in the cinema halls.

Yet, digital advertising is at a nascent stage in India, say industry experts and multiplex owners. This is mainly due to the high projection costs. Most cinemas that telecast digital ads require top-quality projectors. Projectors that are compatible with technologies like 2K cinemas provided by Scrabble cost Rs 55 lakh to

Rs 60 lakh, while a projector with a lower resolution in the MPEG format costs Rs 4 lakh to Rs 5 lakh.

Gautam Dutta, CEO, PVR Cinemedia, says, "Cinema advertising has been traditionally weak on two fronts — audit and measurement. While measurement is an area that is still untapped, digital systems give advertisers a clear picture on audit. Advertisers are given a log or a password through which they have access to the details regarding the number of times an ad was aired, forwarded or chopped off."

However, he adds that due to the superior visual and sound quality of digital in-cinema advertising, an upbeat future lies ahead for exhibitors and advertisers.

Why It Works

Some of the key differentiators of advertising through digital cinema are:

1. Captive Audience: Advertisers get a 10-minute slot for advertising (5 minutes before the Censor Certificate and 5 minutes during the interval) during a 3-hour film.

2. Satellite Delivery: Advertisements are delivered via satellite to all cinemas across India.

3. Transparency in Cinema Advertising: Digital advertising provides system-generated electronic logs for each and every spot, played in individual cinema halls.

4. Savings: In the traditional model of in-cinema advertising, an advertiser needs to provide one print per theatre. With digitisation, only one Betacam is enough to advertise in any cinema across India. There are no RTC (Reverse Telecine) costs or print costs for a cinema hall.

5. Flexibility: An analogue system of showing a movie requires an ad of 60-seconds' duration. Digital advertising places no such restriction on advertisers. A client can also easily position their ads and target specific regions, specific cinemas or specific films for advertising.

6. Reach: For most advertisers, the growth will come from B and C centers.

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