



Cinema owners optimistic about life after Covid-19 : Experts at FICCI panel 2020



Mumbai: Social distancing might continue to be the norm even when lockdowns are completely lifted. How are exhibitors preparing for the new viewing experience? What are the changes and impact to distribution economics by virtue of an anticipated lower occupancy across halls, lack of content and challenges from OTT?

The last day of FICCI Frames 2020 saw a panel moderated by **Kapil Agarwal**, Joint Managing Director – UFO Moviez with spectacular names from the cinema business as panelists such as **Sureshbabu Daggubati**, Leading Telugu Film Producer, Distributor, Exhibitor and Studio Owner, **Alok Tandon**, Chief Executive Officer – Inox Leisure Ltd, **Devang Sampat**, Chief Executive Officer – Cinépolis India, **Shibasish Sarkar**, Chief Executive Officer – Group Chief Executive Officer – Content, Digital & Gaming at Reliance Entertainment and **Akshaye Rathi**, Film Exhibitor & Distributor – Rathi Cinemas wherein they shared their insights and views on the topic of “Living with Covid – 19: The Challenges Facing the Cinema Industry.”

Setting the context **Kapil Agarwal** said “Currently our country, as well as the whole world, is passing through unprecedented times due to coronavirus. In these circumstances, the cinema industry is bound to be impacted, the exhibition sector is worst affected up huge infrastructure investment.”

“It has given rise to so many questions in everyone’s mind as to when will the cinemas open, what precautions and protocols will need to be put in place to really push for reopening of the cinema in the current risk environment. Is there going to be a new normal in the way people consume content and when the cinemas reopen, will there be shortage of film content and with lot of content moving to the OTT platforms. Is this trend temporary and circumstance driven, or causing a long term challenge to the film execution industry either way, how the business of cinema is conducted in the coming years is going to change between various stakeholders.” said **Kapil Agarwal**.

Speaking about when the cinemas are going to reopen in India, and what steps is the exhibition industry taking to get the audiences back the global experience, **Devang Sampat** said, “I think the good part is that

business is coming back slowly and gradually to a new normal, of course it will not be same as when we reopen an exhibition space specifically remember the first cinema we started closing from 11th of March, and it's been four months, that we are not doing, which we are used to doing for almost 59 years."

"In India we have seen in last few weeks average about 22,000 cases coming in every day, but now, I believe we have accepted that COVID is here to stay, it may not be going that easy unless we find some vaccination which, as for all the researchers we are saying it's at least 18 months away. So, what do we do till 18 months we cannot shut down we cannot just keep on closing the business and remain the way we are, so we practically went through the journey of customers, right from the entrance whether it is mass or booking tickets online."

"What can we do to ensure touch-free experience at the cinema, passing through the screens and have a proper distance with mentioned the experience is something that is safe and which gives you a big-screen experience which has been missing for last four months.", said **Devang Sampat**.

Speaking about the viability of cinema and how it will be effective **AlokTandon** said, "I am as optimistic as I'll ever be and we are ready to just pause back it's a matter of time before we hit the long-running, for the last four months, all revenues have come to a grinding halt, whether from sale of tickets sale of food and beverage, or even advertising so there is zero rupee which is just coming in. I won't even call it a fickle I'll just say that everything is shut and there is nothing which is coming into the country and there is no doubt that this is a very difficult phase. But the short aberration cannot change the viability of these demographers, I am very optimistic about the business, and all challenges which have already been faced by the cinema industry in its 100 years of failure or 100 years of existence."

"I will say that the industry has come back stronger, and we have come back smarter, after every challenge that we have faced and it is going to be a battle between apprehensions and the passion for cinema and we are more than certain that the passion will emerge victorious, and there are no two ways about it. I personally see that the resurgence happening from q3 onwards, as hopefully the apprehensions will settle movie releases will get back on track, festivities will take time and overall sentiment would make a turn around.", said **Alok Tandon**.

Highlighting the concerns and problems that the cinema industry is facing **Sureshbabu Daggubati** said, "All of us, I wouldn't say are impatient, we all are sort of concerned about what has been happening. We went to different governments and we wanted shooting permissions and we even got the permissions but then we developed cold feet, and we couldn't start shooting and a few television shoots have started. The question is that now why are we not shooting when we have got the permission."

"First, the actors or the technicians still don't feel safe and why do they not feel safe because the curve is on the upside and till the crowd comes down I don't see it becoming the comfortable moment for the actors and technicians to come on board. We need to make a creatively good product to come up. So when we are working on a film, if the creativity quotient is removed and we are only constantly worried about sanitization and other stuff and your whole mind is of that, then you will not creatively come out with a great product. So that's the concern of directors and with cinema we have a lot of interaction between actors during dances, fights scenes. So that's why even the few people who had started have stopped because it's not going to get an end out of this film and there is no exit for my movie."

“Second is when I finish my film and if I take it to the theaters, the talk about reduced capacity in the auditorium and will enough people come in and watch the film and will it make enough revenue for the cost that I put into the film.” said **Sureshababu Daggubati**.

Speaking about on will there be readjustments in the way films release and are distribution models going to change **Akshaye Rathi** said, “I certainly think that way forward is obviously going to be a lot different compared to what it was and a lot for vendor buyer relationships are going to turn into collaborative relationships and that creates a way forward because to come back to normalcy in terms of revenues and operation during the entire value chain or right from the talent to the distribution sector and the exhibitors need to deal with each other as vendors to get us out of this well that we are in.”

“So yes distribution patterns are going to change, because we all realize that when cinemas, open up is possibly not be permitted to open with 100% occupancy, and to build that capacity that things like let’s say movies like Sooryavanshi 83, Cooliee No. 1 deserve a bigger release and will have to go much wider with the release. I mean you have made that announcement where UFOs, offered to come in as a partner in turn the fixed cost of distribution through your network into a variable cost which I truly believe that may be a massive benefit not just to the producers, but also to exhibitors without worrying about the return on investments on every property, they be able to go usually wide.” said **Akshaye Rathi**.

Speaking about his experiences **Shibasish Sarkar** said, “When this situation occurred in February and March and I think most of us did not visualize this is for such a longer time and we are not even close to situation of what is the level of calamity. We don’t even know standing as in what will be the level of impact in the next six or nine months.”

“If the film is getting released on OTT is something wrong, the answer is no, as a producer I do believe that there are a lot of teams, which even it goes through in this situation that producers are holding they have been losing money and losing interest to pay their vendors, directors, artists, and if they find that the film can get distributed on a platform which will reach so many countries, it is a correct decision between the buyer and supplier and I am no one to judge those decisions and I truly believe that if there are some films to find an opportunity to get in this platform, the producer should take that course nothing wrong in it and there is no end.” said **Shibasish Sarkar**