



Igniting Thoughts of Tomorrow

BUSINESS OF BOLLYWOOD

WeChat



Mr. Rahul Puri

Executive Director - Mukta Arts

.....
Bollywood Vs Hollywood



Featured
Bollywood
Evolution &
Current Scenario
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April 2013



OUR VISION

“To nurture thought leaders and practitioners through inventive education”

CORE VALUES

Breakthrough Thinking and Breakthrough Execution

Result Oriented, Process Driven Work Ethic

We Link and Care

Passion

“The illiterate of this century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn.” - Alvin Toffler

At WeSchool, we are deeply inspired by these words of this great American writer and futurist. Undoubtedly, being convinced of the need for a radical change in management education, we decided to tread the path that leads to corporate revolution.

Emerging unarticulated needs and realities need a new approach both in terms of thought as well as action. Cross disciplinary learning, discovering, scrutinizing, prototyping, learning to create and destroy-the mind's eye needs to be nurtured and differently so.

WeSchool has chosen the ‘design thinking’ approach towards management education. All our efforts and manifestations as a result stem from the integration of design thinking into management education. We dream to create an environment conducive to experiential learning.

Dear Readers,

It gives me great pride to introduce Samvad's issue every month. Our Samvad team's efforts seem to be paying off and our readers seem to be hooked onto our magazine. At WeSchool we try to acquire as much knowledge as we can and we try and share it with everyone. I sincerely hope that Samvad will reach new heights with the unmatched enthusiasm and talent of the entire Samvad Team.



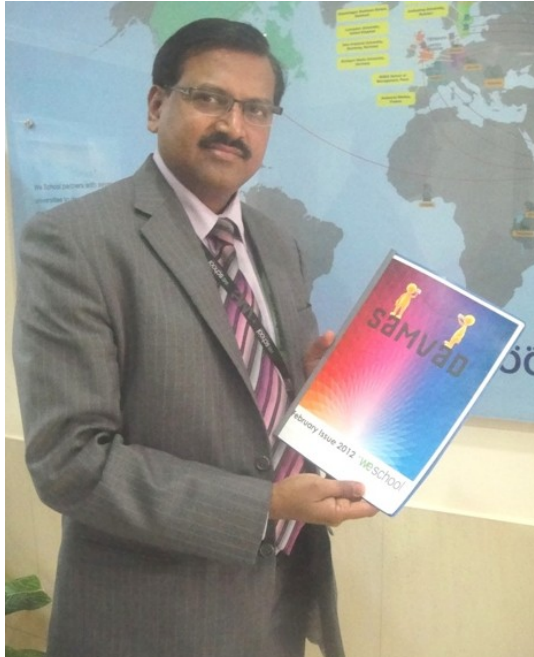
**Prof. Dr. Uday Salunkhe,
Group Director**

Here at WeSchool, we believe in the concept of AAA: Acquire Apply and Assimilate. The knowledge that you have acquired over the last couple of months will be applied somewhere down the line. When you carry out a process repeatedly it becomes ingrained in you and eventually tends to come out effortlessly. This is when you have really assimilated all the knowledge that you have gathered.

At WeSchool, we aspire to be the best and to be unique, and we expect nothing but the extraordinary from all those who join our college. From the point of view of our magazine, we look forward to having more readers and having more contributions from our new readers.

Samvad is a platform to share and acquire knowledge and develop ourselves into integrative managers. It is our earnest desire to disseminate our knowledge and experience with not only WeSchool students, but also the society at large.

Prof. Dr. Uday Salunkhe,
Group Director



Prof. Dr. Uday Salunkhe introducing the first issue of Samvad

OUR VISION

“To facilitate exchange of ideas that inspire innovative thought culture”

MISSION

**To Dialogue
To Deliberate
To Develop
To Differentiate**

As the official student magazine of WeSchool, Samvad is greatly inspired by the words of Alvin Toffler backed by a strong vision of facilitating exchange of ideas that inspire innovative thought culture. Samvad is a platform for the next generation leaders to bring forth their perspective on management to the world and gives the readers an opportunity to learn, unlearn and relearn on a continuous basis.

The team of Samvad is driven by a set of strong WeSchool values which enable us to create a dialogue leading to knowledge gaining and sharing, to deliberate on the information, to develop a sense of creativity and differentiate our minds with innovative thoughts of tomorrow; today.

Dear Readers,

Greetings from Team Samvad!

We welcome you to the brand new Samvad, with an all new freshly designed layout to give you a richer and a crisper reading experience. The design improvements were undertaken based on the feedback we received from many of you. We sincerely hope this new look acts as a catalyst to keep you hooked on to Samvad.

Read Better to Know Better...!!!

At Samvad, it has always been our endeavour to have themes pertaining to the current trends so as to facilitate exchange of ideas which are relevant not only to the authors of the articles but also to all our readers. Our aim is to provide a platform to the management fraternity for sharing ideas and harbouring an innovative thought culture.

Till now we have covered themes on General Management thoughts like Leadership, Innovation as well as specific sectors like Retail and Tourism. However, we realised that more and more jobs are now being created in sectors which traditionally were not a part of mainstream management. One example being Bollywood. Due to the intense competition between production houses, corporate management has finally made inroads into Bollywood and students are increasingly taking up courses like MBA in Media and Entertainment. Also, Bollywood Industry recently celebrated 100 years of cinema and therefore, this was the most apt theme for the April Issue.

We have Mr. Rahul Puri, Executive Director, Mukta Arts Ltd sharing insights and giving guidance on what it takes to manage a production house.

The Featured article is on the evolution and current scenario of Bollywood.

Best Wishes,

Aniruddha Kulkarni

Editor

Samvad - *Igniting Thoughts of Tomorrow*

Team Samvad would like to extend its heartfelt thanks to certain key members of the WeSchool family for their special efforts towards the making of this magazine.

We deeply appreciate the constant motivation & encouragement that our beloved **Group Director Prof. Dr. Uday Salunkhe** has always given us. His vision & result orientation has been the driving force in creating brilliant leaders and making WeSchool a name to reckon with, not only in India but also globally. His focus on the core values of Passion, We Link & Care, Result Oriented Process Driven Work Ethic and Breakthrough Thinking has formed the foundation of all the activities that we undertake as students of this esteemed institute.

We deeply appreciate the help and support given to us by both **Prof. Amarkant Jain** and **Prof. Deepa Dixit**. Their insight and expertise is our driving force to ensure the sustainability of our magazine.

We thank **Ms. Mayura Amarkant** for her support and co-operation in the WeChat Section.

We appreciate **Prof. Indu Mehta** for her help in selecting the best Marketing articles. She is part of our core Marketing faculty at WeSchool.

The Finance articles were scrutinized by **Prof. Sapna Mallya** and we thank her for choosing the most relevant and informative articles.

We thank **Prof. Dr. Priyanka Sharma** for selecting the best articles in the Human Resources domain.

We appreciate the efforts of **Prof. Jyoti Kulkarni** for selecting the most interesting articles in General Management domain.

We would like to thank **Ms. Yashodhara Katkar**, General Manager - Liaison, WeSchool and her PR team for helping us to reach out to our readers. Also, we thank **Ms. Prachi Shah** and her team for helping us out in the PR activities of Samvad

We are indebted to **Prof. Jalpa Thakker** for all her help and guidance in the making of Samvad. Her insight and suggestions have been of tremendous benefit to us. The Samvad Team would truly be incomplete without her.





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An Interview with Mr. Rahul Puri

By: Team Samvad

(Mr. Rahul Puri is the Executive Director of Mukta Arts Ltd. and has been in the Business of Bollywood since the past ten years)

1) Please share with us your journey of managing production houses in Bollywood.

I have graduated with B.Sc (Hons) in Business Management from King's College, London. Then I worked for two years as an Analyst in the Investment Banking division of UBS Warburg. Post that I was managing Strategy and Services for Nimbus Communications for a year where we were into organizing and handling of functions and sports events, the most prominent being the ICC Cricket World Cup 2003. End of 2003 marked my shift to Mukta Arts Limited.

My initial responsibilities were into handling the overall strategy of the company like what kind of films to make, how many we need to make, etc. I have done around 16 to 17 films like Yuvvraaj, Aitraaz, etc and low budget ones like Iqbal, Joggers Park, etc. Now, being the Executive Director of the company my scope has diversified and includes the entire aspect right from exhibitions, programming and distribution to managing the educational aspect of film making in our academy.

As in case of other industries, the key to managing film making business is to understand what exactly the product is. It is important to know that it's a show business. From an outsider point of view it may seem like managing just another business. But the most important part of managing a production house which is into films and entertainment is to manage people. The film we make for the audience is with our best intentions. But a film is not like any other product e.g. a piece of garment where the raw material is



cloth. Instead, here the raw materials we are working with are the people and understanding that is the key to managing production houses. It includes finding the right film, finding the right script for the right audience, finding the right marketing and distribution strategies. All these are organic; they flow out of each other. So, the key is to find the right people for the right job.

2) How have Bollywood's marketing and distribution strategies evolved over the past century and what does the future have in store?

Over the past century, Bollywood has grown and evolved immensely in the marketing and distribution strategies and this is a direct result of the change in consumer's needs for media and entertainment. I think the last five years have seen a radical change in the way film makers are looking at marketing and distribution.

Earlier it was on a much simpler scale and was mainly concerned to making posters of films before their release. Now there is a science behind every marketing strategy adopted. There is a lot of research which goes into knowing who your target customer is, media planning, buying and selling techniques, developing your various strategies, positioning the film, competition analysis, when to release a movie, etc. And this has cut across production houses. They have become more corporatized. With big players coming into the arena, more and more money is being put on stake. It's not just about posters but about telling a story, designing the content customized for your target audience.

Future, in my perspective, is going to be even more advanced, better and competitive. The production houses will use more of the internet and social media for marketing. There will be a lot more of analytics put into it. I think till now the broadband infrastructure issue was limiting the film makers to leverage this stream but with the change in the broadband infra of our country and deeper internet penetration, there will be a lot more emphasis on digital media.

3) With the increasing popularity of Video/Audio streaming through websites such as gaana.com, Big Flix etc, how has film industry reacted and used such websites to its advantage?

The present era calls for audience engagement. The film makers want to engage their target audience and make them feel a part of the film. Now, there are infinite ways how you can do that. So, it won't be limited to the websites but also social media. The key is to keep the audience engaged in the whole process right from film making, release and post release. They become subscribers of the film franchise.

4) With the Government of India enforcing set top box installation in homes, will the DTH platform become an alternate revenue stream for Production Houses?

We will have to wait for broadcasters and the DTH providers to come up with revenue streams for us. Right now the movie rights are sold off as a chunk to a broadcaster. The channel buys the satellite rights and plays the movie as an exclusive premier. The bulk of money therefore comes from broadcasters and not from DTH network. And this is a significant amount for the producer.

Having said that, an alternate revenue stream can still be explored if the DTH provider themselves can guarantee significant revenues to producers with concepts like video-on-demand, home box office and exclusive paid monetization of that content through digital television. Till then, the producer will have to rely on satellite rights for gaining access to people's homes.

5) Please comment on the effect of piracy on Business of Bollywood.

Piracy of copyrighted content affects the Bollywood business a lot. It is estimated that around 30 to 35% money flows out of the system due to piracy. This is a huge sum and ends up hurting the business tremendously.

This has also affected the conventional flow of movie release from theatres to DVDs and then television. The era of DVDs is almost finished audience is hardly buying DVDs anymore. Going back the previous question, this has made producers to explore alternate revenue streams like the DTH service. There is a need to find more such ways of legitimately distributing content to enable consumer to get high quality programming with convenience of watching and affordable costs. That is a constraint currently and there are a lot of factors for it. Also, an

exhaustive list of old as well as recent movies is not available for legitimate and convenient viewing to consumers who want to pay and watch. This pick and choose platform does not work for everybody.

Piracy as a problem is a whole problem and I think it is going to get worse in future. Looking at the generation right now who wants and believes that everything is available on the internet and the free downloading culture associated with it, the problem of piracy will only get worse.

Copyright laws in India are fairly good but the problem is enforcement. Also, there are so many associations trying to combat piracy instead of a common unified association. Producers are more concerned about their individual films rather than of the entire industry.

6) In the current era of intense competition among production houses with ever increasing demands of consumers, has corporate management finally made inroads into the Business of Bollywood?

Currently, many big studios are managed by guys who have had lot of experience in managing corporate houses. Lot of these people have come over from FMCG and other industries and are using their expertise gained, here. One aspect in just film making is managing people and relationships. However, seen from a broader perspective of current times, production houses need corporate managers to implement the best industry practices in effective management of people, resources, finances, marketing and so on which are traditionally not a part of the film making process.

7) Management students are groomed to handle businesses in different corporate sectors like banking, manufacturing, marketing, etc. Does working in the management of a production house require additional skill sets? If yes, what are they?

I would say, like any other industry things can be learnt on the job also for a person who has a background in general management or say finance and so on. But there are other things that people need to learn through specialized management course in media and entertainment and that is how to look at films as a product. It takes time to learn this and this perspective is taught in the academic courses.

8) This issue is dedicated to Bollywood completing 100 glorious years in which there were different eras right from the silent movies, the Dilip Kumar days, Rajesh Khanna days, the angry young man era and glam world today. Which is your favourite of these eras and why?

(Laughs) I really don't know if I have a favourite era. I love movies from all the eras. I believe eras have been formed by domination of big superstars with their super hit films. However, there have been many common factors that have cut across all eras such as music, dancing, connect with the current culture, the melodrama and so on. I would say I am a fan of these common trends which have been a part of Bollywood right from the beginning and that has got me hooked into making and watching Bollywood movies.

—O—

Bollywood – Evolution & Current Scenario

By: Jyot N Patel, MBA (2012-2014), Nirma University

In our times of instant digital communication, films have turned out to be one of the most vital ways through which various nations and cultures reveal their values and identities. Moving image technology has turned out to be all-encompassing in our lives. The capability to recognize and make use of this technology has proved to be imperative in the 21st century, in ways more than one. The tempo, scale and consequences of this transformation are significant. The Indian Film industry has made huge strides ever since the motion pictures first arrived in India in the year 1896 when the Lumiere brothers revealed six silent short films in Bombay. The first feature film of India named- Raja Harishchandra (which was a silent movie) was released in the year 1913. In India the first 'talkie' movie that released was Alam-Ara in the year 1931.

When 'industry' status was granted to it in 2000, the corporate world started taking a keen interest in the film industry realizing the huge potential that was there to be exploited. They entered the industry with a huge investment power, incorporating the studio culture of Hollywood by following vertical integration, leaving behind the prevailing system of horizontal integration to the independent producers.

The studio-model production houses started giving more importance to content. It stressed on script development, giving importance to a younger generation of actors and directors, budget and time management, co-production and international distribution. None of the new corporate production houses had the background of film production when they entered the segment. However, most of them were involved in activities related to the media.

The industry had a lot of potential to grow with its wide acceptance globally but the

independent production houses had neglected this aspect, so when there was a corporate involvement in the industry the unexploited resources of reach of the films and their growth possibilities were taken care of.

To exploit the resources of growth prospective, the studio-model was developed under these parameters:-

- To Produce and co-produce the movies with strong content and story line
- To complete the movie within the budget and in time
- To sign contractual agreements with actors and directors
- To focus on medium and large scale budget movies
- To develop a huge distribution network nationally and internationally.

These parameters are not different from any other studio model in the world. The main aim of corporate production houses was to apply the practices and standards already prevalent in other markets, to the Indian market. The reason for doing this was to make maximum utilization of the resources available.



Image Source: businesstoday.intoday.in

The Indian film industry has witnessed several transformations since its maiden foray. One such change was a more intense interplay between the global and the local which took place during the 1990s. Today, every single function and activity related to the Indian film business is well-defined and systematic, be it the retail infrastructure, the financial aspects, marketing or distribution. Even films themselves are gradually falling into place.

Currently the success ratios of films are very low at the box office. Only 10 to 20% of the produced films break even or earn profits but most of the producers end up recovering money, recouping their investments through new auxiliary sources of revenue like satellite rights, music rights, home video rights (DVD), video games, toys, computer wallpapers, ring tones, movie clips for mobile-phones and selling ancillary rights. The new trend is product placement in films which brings in a lot of revenue and even helps the publicity of the film. During the period of 1998-2005 i.e., after gaining an industry status, the revenues in films have grown by 360%, including those from advertising, selling of ancillary and music rights. The digital relay of films in cinema theatres is saving a lot of money as one doesn't have to develop the physical print, which earlier took a major share in a film budget.

The Indian entertainment industry is estimated at around Rs.20, 000 crore (nearly \$4 bn) Out of this, the Indian movie industry is about \$1 bn.

This is quite a miniscule quantity taking into account the fact that India produces almost 300 movies every year and top Hollywood movies alone make about \$0.5 bn in sales in the US. However, urban demographics have changed considerably in the past 5-6 years (particularly in the 15-34 years bracket). Most expressively, the average Indian spending on movies (as a percentage of disposable income) has increased from 1% to about 5%.

What is quite appealing is that in the last five years, the financing of Bollywood has witnessed a major change. In the beginning of the year 2001, the Indian government distinguished Bollywood as an industry. While regulations were still in presence, it allowed Hindi movies to be financed by renowned financial institutions (like banks) apart from underworld dons or with the help of tax-evasion money. In return, Bollywood producers were required to corporatize because laws disallowed lending to individuals. UTI, IDBI and Exim are few of the banks which have in recent times funded films.

The times have drastically changed. These days every big production house has a roadmap for up to two years in advance. Satellite rights, radio, home videos, DTH, mobile services have also opened the door of opportunity for new revenue streams when only one (theatre box office) was previously present.

Growth estimated at 11.8% this year is lower than the 12.6% growth in 2012.

| Overall industry size (in ₹ crore) (For Calendar Years) | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | Growth in 2012 over 2011 | 2013P | 2014P | 2015P | 2016P | 2017P | CAGR (2012-2017) |
|--|---------------|---------------|---------------|---------------|---------------|---------------|-----------------------------|---------------|-----------------|-----------------|-----------------|-----------------|---------------------|
| TV | 21,100 | 24,100 | 25,700 | 29,700 | 32,900 | 37,010 | 12.5% | 41,990 | 50,140 | 60,740 | 72,500 | 84,760 | 18% |
| Print | 16,000 | 17,200 | 17,520 | 19,290 | 20,880 | 22,410 | 7.3% | 24,110 | 26,140 | 28,560 | 31,120 | 34,020 | 8.7% |
| Films | 9,270 | 10,440 | 8,930 | 8,330 | 9,290 | 11,240 | 21% | 12,240 | 13,830 | 15,360 | 17,170 | 19,330 | 11.5% |
| Radio | 740 | 840 | 830 | 1,000 | 1,150 | 1,270 | 10.4% | 1,400 | 1,540 | 1,870 | 2,270 | 2,740 | 16.6% |
| Music | 740 | 740 | 780 | 860 | 900 | 1,060 | 18.1% | 1,160 | 1,310 | 1,530 | 1,830 | 2,250 | 16.2% |
| OOH* | 1,400 | 1,610 | 1,370 | 1,650 | 1,780 | 1,820 | 2.4% | 1,930 | 2,110 | 2,300 | 2,500 | 2,730 | 8.4% |
| Animation and VFX | 1,400 | 1,750 | 2,010 | 2,360 | 3,100 | 3,530 | 13.9% | 4,060 | 4,690 | 5,420 | 6,310 | 7,350 | 15.8% |
| Gaming | 400 | 700 | 800 | 1,000 | 1,300 | 1,530 | 17.7% | 2,010 | 2,380 | 3,090 | 3,620 | 4,210 | 22.4% |
| Digital Advertising | 400 | 600 | 800 | 1,000 | 1,540 | 2,170 | 40.9% | 2,830 | 3,710 | 4,890 | 6,510 | 8,720 | 32.1% |
| Total | 51,450 | 57,980 | 58,740 | 65,190 | 72,840 | 82,050 | 12.6% | 91,740 | 1,05,850 | 1,23,750 | 1,43,840 | 1,66,110 | 15.2% |

*Out of home advertising

Source: FICCI - KPMG Media & Entertainment 2013 report

Image Source: screenville.blogspot.com

Chak De! Teaches Situational Leadership

By: Aniruddha Kulkarni, PGDM (2012-2014), WeSchool

Bollywood has traditionally been associated with glamour, fiction, masala, songs, dancing, a powerful hero, a heroine in distress and an evil villain. People turn to Bollywood to take a break from their stressful routines and drown in the story (usually with a happy ending) to rejuvenate themselves. With rising stress levels and worries, cinema business has grown by leaps and bounds and people don't mind paying hundreds of rupees to watch their favourite stars on the silver screens. This is the entertainment aspect.

However, in the plethora of hundreds of entertaining movies, there are some movies which teach us many lessons with regards to life and management. They leave the spectator with food for thought while he walks out of the hall. One such movie is Chak De! India. This movie, released in 2007, was a blockbuster, not only in India but also in overseas market. It had the perfect ingredients of an entertainer, songs, patriotism, women empowerment issues and lessons on leadership.

(Plot:- The captain of Indian Men's hockey team faces intense backlash after losing one World Cup final to arch rivals Pakistan. Being a Muslim himself, his patriotism is questioned and gets labelled as a traitor. Seven years later, in order to prove his patriotism and erase the black spot from his life, he returns from a self imposed exile to coach the national women's hockey team of India for the upcoming Women's Hockey World cup)

Leadership is one of the widely used jargons in the management field. Leaving aside the jargons, it's very important for a manager to be a good leader if he/she has to manage people. A leader has a vision for the future and not only shows the path to his/her followers but also treads on it. That's why leadership has gained so much importance. Companies thrive and prosper because of leaders in its ranks. These leaders drive the company into the future.

This also leads to leadership styles which define the style or the methodology or the philosophy adopted by a leader to lead his people. This brings us to situational leadership.

People are complex beings replete with their ever changing emotional levels, needs and desires. A leader should keep this in mind and change his leadership style based on the current temperament and competency levels of his followers at the same time ensuring that the objectives of the organization as a whole are met. The character of Shah Rukh Khan (Kabir Khan) in Chak De! exemplifies situational leadership and gives us some important lessons pertaining to it.

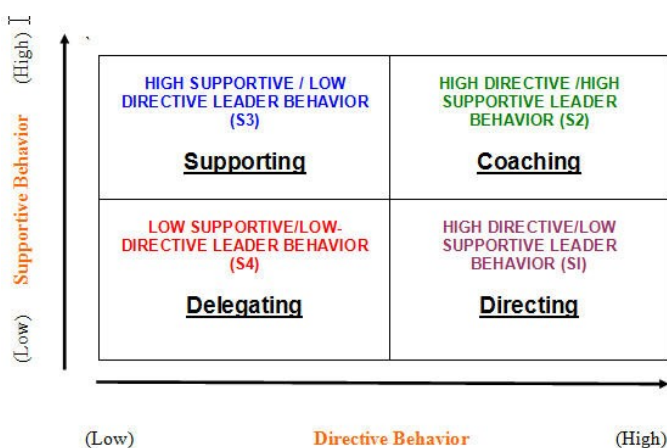


Image Source: <http://leadershipchamps.files.wordpress.com>

Style 1 – High Directive, Low Support

(top down approach where the communication is one way; the leader plainly instructs what his follower has to do. Generally adopted when the follower has low competency)

This is adopted by Kabir Khan in the initial part of the movie when he just gets appointed as the coach. His initial task is to make all the girls play like a team and not compete against each other. He has to unlearn them of the fact that they are the best players of their respective states so that they learn to play for India henceforth.

Style 2 – High Directive, High Support

(the follower's competency level has increased now, so the leader changes his style and starts a two way communication; though the leader has the final word, he takes decisions after listening to his followers)

The girls make Kabir Khan to step down due to his harsh training schedules. He takes them for farewell lunch where a few boys tease a couple of them. This enrages all and they fight the boys like a team. They realise the importance of team work and apologise to Kabir Khan. Post that incident; he changes his style as the girls have learnt to play like a team. He becomes more supportive and takes the views of the girls into consideration while giving instructions.

Style 3 – Low Directive, High Support

(the follower has a higher level of competency now, but his commitment to the organization objective is varying. The leader now has to focus more on motivating the followers and less on telling them what to do)

Just a few weeks before the World Cup, the Indian Hockey Federation refuses to send the girls for Cup citing reasons that the girls are fit for household jobs rather than spending time on representing the country. This severely dents the motivational level of the girls and they are crestfallen in spite of the fact that they are playing wonderfully now. To address this concern, Kabir Khan challenges the federation for a match between the men's and women's teams to showcase his team's prowess. The girls do end up losing but their performance gets an ovation from the men's team making the federation to end up sending them for the cup. In this leadership style, Kabir Khan works on motivating and providing the girls a platform to reach the team's objectives and hardly instructs them on what

has to be done.

Style 4 – Low Directive, Low Support

(the followers are highly competent and have a high level of commitment towards the organizational objectives. It's time when the leaders give them the freedom to take their own decisions. He intervenes rarely)

The girls perform superbly in the league matches and win their way to the finals where they are pitted against former world champions, Australia. However, there is one thing that can completely dash any hopes of winning the cup. The two forwards, Preeti Sabarwal and Komal Chautala, instead of passing the ball and strategizing, are more interested in competing with each other to see who scores more. The night before the final Kabir Khan calls them both and tells them that India will surely lose the finals because the two forwards are in fact paving the Australian team's path to victory. He doesn't instruct them or even support them. They have a high level of motivation as well as competence. He just makes them realise the repercussions of their actions and gives them the freedom to decide.

Thus we see the four styles of leadership perfectly explained in the movie. This movie is therefore a must watch for any person who aspires to be a leader in the future as it teaches how a leader should keep varying his style according to the commitment levels and competency levels of his followers. To sum it up it's very important to remember that, "A leader is a leader only because of his followers. The day his followers abandon him, he ceases to be a leader".



Image Source: <http://www.impawards.com>

Human Resource Management in Bollywood

By: Susmita Paria and Rishi Ahuja,

PGDM Rural Management (2012-2014), WeSchool

In times where, “Out of sight, out of mind” is so apt and relevant in the Business of bollywood that PR’s or Public Relations vertical is thriving and growing at a lightning speed. Be it a celebrity or a supporting actor/actress or a director or right up to a Fashion Designer, there is surely an urge amongst the movers and shakers of the industry to be seen at the right place and at the right time doing the “right” things that is sure to get them on the front page and if not that then on almost on all the social media space!

PR is all about handling the client profile right from appearances to be made to selection of events to attend to the interviews or “Bytes” to be given etc and the list is endless. A PR perfectly tailors his/her clients public view keeping in mind the aspirations, the interest, the talent and the areas where they shall be good at! All these thought process and work surely sounds very technical and pertaining to Human Resource as a whole. I personally am of the opinion that PR is all about “Talent Management” and “Retaining the talent” and building the same.

The Bollywood industry has surely seen an up-swing in the increase in the number of qualified and experienced professionals in the field with en number of Media Owners, agencies hiring PR professional, celebrity managers for their clientele base. The core work starts with understanding the client, the various platforms where the potential can be unleashed and strategising the brand to be built or worked on and how to position the image in the front of the viewers and industry as a whole. Taking up a career as a PR is nothing but “Diversification” of a profession. The new mantra is propagated is definitely, “diversification is the key to success.”

Celebrity managers in Bollywood are the new bosses of film stars and for good reason. Stars by themselves make efficient eye candy but are unlikely to set the cash registers ringing away from the silver screen. Somebody’s got to polish, package and repurpose them, and then put them up for offer in different segments of the entertainment market — from roles in movies to brand endorsements to television and ‘live’ appearances. For Bollywood idols and superstars from other fields like cricket, such opportunities are irresistible given the transient nature of their shelf lives.

What’s more, one estimate from the celebrity management business is that nearly 70% of the earnings of a female actor and half of that of a hero come from non-film avenues. Celebrity managers are not a new phenomenon in Bollywood; they’ve been around ever since the advent of the superstars, often in the avatar of ‘star secretaries’. What’s new is the structured nature of their operations and the ensuing clout that some of them possess.



Image Source: <http://www.google.com/images>

Creating Business Opportunities for Celebrities

It's public relations, reputation management, event management and talent management, all rolled in one. The mantra at job is to create business opportunities for the talent, especially for the emerging actors. A lot of research and detailing goes into it, as quoted by Vinita Bangard, founder and managing partner of Krossover Entertainment.

The company handles endorsements for Priyanka Chopra and Shah Rukh Khan, two of Bollywood's biggest stars by brand valuation. Anirban Das Blah, who set up celebrity management firm Kwan after quitting his partnership with tennis player Mahesh Bhupati, manages about 30 Bollywood stars. These include Ranbir Kapoor, Nargis Fakhri, Frieda Pinto, Genelia D'Souza, Kalki Koechlin, Abhay Deol, Arjun Rampal and Mahie Gill.

As stated in the previous paragraph, the new dimension unlike earlier is that today's star managers are more professional. Celebrity managers can also play vital roles in catalyzing the upgrade from model to actor.

Angela Johnson, who was hand-picked by ace photographer Atul Kasbekar at the Kingfisher Calendar model hunt last year, has become one of the more sought after stars in the south film industry; she is now pitching for a Bollywood debut, all thanks to Kasbekar's celeb management firm, Bling.

Kasbekar says new models, who earn around Rs 30 lakh when they are launched, can fetch in a crore by bagging just one good movie.

Thus, an individual with a passion for Human Resource Management can delve in to the PR field with immense learning, opportunities that are galore and for greater satisfaction of work. Rest assured, there shall be less monotony, no leave records to be managed, nor handling the talent management and grooming of umpteen employees. All that is there is the talent of a particular number of clients to be understood, managed, groomed and work closely with the concerned industry people, communication with the top notch in the field and to work with different media verticals! A Human Resource graduate is definitely not confined to the strict rules of pursuing a job in an MNC. *Acquisition, application and assimilation of the knowledge is the key to the Pandora's box of success.*

Change is not about revolution, as much as it is about evolution. In recent times, technology, gadgetry and internet have taken over our world by storm. Gone are the days when your publicist could make friends with a couple of journalists from select publications and channels and run his business. Now, PR is about a mass communication network. Change is writ all over the place.



Image Source: <http://www.google.com/images>

Bollywood vs Hollywood

Contributed By: Kush Bhatt, PGDM Business Design (2012-2014), WeSchool

Bollywood was born in 1899 with the production of a short film and Hollywood's birth happened 11 years later in 1910 with a Biography melodrama. Hollywood produces 500 films per year on average and has a worldwide audience of 2.6 billion whereas Bollywood produces more than 1000 films every year and has a worldwide audience of 3 Billion. In terms of viewership, Bollywood overtook Hollywood in 2004 and has been leading ever since.

has virtually eclipsed all other film industries except Bollywood – for instance, the European film industry cut down to 1/10th of its size since 1910.

The average cost of producing, marketing and distributing a Hollywood film is more than US\$60 million though a Star Wars or Harry Potter costs around \$100 million and only one out of ten succeeds. At the same time average cost of a big Bollywood movie is around \$ 5 Million. 50% of the movies produced in Bollywood are never released and on an average more than 95% of those released results in losses. Around 15 million Indian expatriates living in different parts of the world account for over 65% of Bollywood's earnings.

Revenue-wise Hollywood movies does not depend on ticket sales alone. It follows the time-tested 'franchise-formula' where a major part of the revenue comes from other segments like TV networks, magazines, home-videos etc. Of course, Bollywood is toying the same line but it is too early to say if a successful process is in place. A few years ago, 70% of the money for movies made in Mumbai came as liquid cash from traders in real-estate, jewellery and the Mumbai underworld. Things have improved, but the financing of Bollywood movies is still shady business coming largely from the non-organised sector and with virtually no financing from the banking sector unlike Hollywood where production studios and the organised sector treat it as an industry and has a well established network. Bollywood was officially recognised as an 'industry' by the government only in 1998.

Despite the hype surrounding Bollywood's increasing influence in the world movie industry, it is a long way from being a threat to Hollywood's influence.

| BOLLYWOOD VS. HOLLYWOOD | | |
|--|-------------------------------|-------------|
| 1,013 | FILMS PRODUCED* | 739 |
| 3.6 bil. | TICKETS SOLD | 2.6 bil. |
| \$1.3 bil. | WORLDWIDE REVENUES** | \$51 bil. |
| 12.6% | ANNUAL GROWTH RATE | 5.6% |
| \$1.5 mil. | AVG. PRODUCTION COST PER FILM | \$47.7 mil. |
| \$500,000 | AVG. MARKETING COST PER FILM | \$27.3 mil. |
| <small>*National film production, 2001 ** Estimates, 2002 Data: Motion Picture Association of America, PWC, FICCI, BW estimates</small> | | |

Bollywood made revenue of \$3.4 Billion in 2010 which is only half the revenue of what one Hollywood studio, Walt Disney made in 2010 – and that is saying a lot. However, while Hollywood's market inside the US has almost saturated, India's 500 million population under the age of 20 will ensure that the market inside India will grow exponentially in the coming years.

Although Hollywood produces only a fraction of the number of films made all over the world, it garners a staggering 75% of total revenues. Also, 50% of its earnings come from the foreign market whereas for Bollywood it is 20%.

Hollywood has an overwhelming domination among the top grossers worldwide – almost all of the top 50 movies are made in Hollywood. It

Mad Over Music

By: Swetali Kar, PGDM-BM (2012-14), XIMB, Bhubaneshwar

Music and Bollywood: The Hindi movie industry, popularly known as Bollywood is the showcase of Indian talent in the stage of the world. Any movie of this industry is a perfect blend of story, acting, attractive locations, direction, fashion etc. It is to be noted that the most important component of almost all movies of Indian film industry is the music.

The Business of Music: As movie making is a business in itself, so is the management of all its components starting from investment to promotion. Music being an essential part of movies the management of music is also equally important. Much before the release of any movie, what captures the attention of the audience is the music. The songs or background score of movie with a curtain raiser video is released to the public as a first step of letting the people know about the movie.

A few decades back, the marketing of music was not given much importance because it was an era of great composers and singers, and there was less competition among the movie makers in the industry. Audience was very happy with the scenario back then and enjoyed the music over radio mostly.

With the advent of new technologies like TV and computers, the power of choice was absolutely placed in the hands of the audience. It became their right to listen to what they want and reject what they disliked. Similarly in the industry, the number of artistes also grew thus creating a very competitive market. Now, at present there are hundreds of singers and composers in the industry, but are all of them well

known? The answer is No. Are all songs well known? No. So, what makes the difference is how well a song or any music piece is launched in the marketing. The marketing strategies have to be effective enough to increase the reach of the songs of the movies or albums.

Fine tuning Music, Money and Marketing:

Earlier trends of marketing of music included the popularity charts, the TV shows of music countdown, adding trailer of forthcoming songs at the end of the cassette, lucky draw contests through the cassettes etc. But now satellite television, internet, and mobile phones are ruling the communication medium. There has been a paradigm shift in the ways marketing music in the recent days. Some popular medium and strategies of marketing music are as below:

•**Social media:** sharing of songs and their reviews through sites platforms like Facebook , Twitter etc is a medium to reach masses in a short span of time.

•**Media file sharing:** There exist several channels to share the videos and songs of movies and artistes which become viral in no time. For example, the Kolavari Di song. This one song became an instant hit much before its CD release.

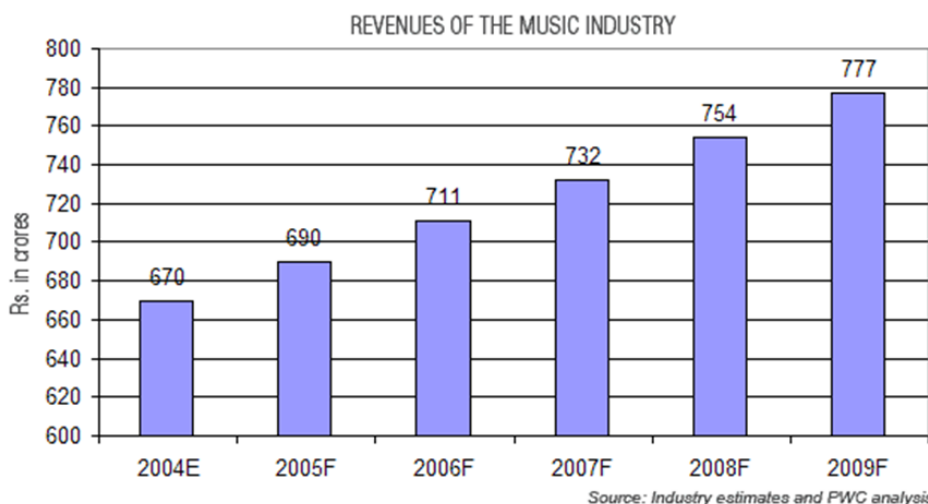


Image source: www.google.com/images

•**Singing contests over mobile phone:** This is done to attract the young mass to showcase their talent. But the undercurrent is that the particular movie songs are promoted by asking the contestants to sing cover version of the particular movie song.

•**Events and Music shows:** Nowadays music concerts are very popular among the music lovers. Hence this is also an active medium to promote music.

•**Merchandise:** Artiste merchandise and movie related mementos are also a way to attract audience.

•**Contests in universities:** Some production houses are also organizing contests in colleges to promote their movies and also music.

•**Other public appearances:** Artistes are nowadays promoting their music by visiting busy places like malls and other big music outlets, wherein CD signing is a popular trick to promote the music.

•**FM:** Radio as a medium has transformed a lot thus facilitating the marketing of music.

Online purchase offers: With the increasing inclination of people towards e-commerce, the music industry is also in the race. Selling of CDs, records and other

merchandise online is one of the latest trends.

•**Television:** The soaps and other reality shows are also a medium to promote songs. This helps in reaching a wide base of listeners and admirers.

Strike the right chord: The music industry of Bollywood is a medium of lucrative business. Huge sum of money is invested in preparing one complete album of songs. But the most important factor for the success of this business is how and when the strategies are implemented. If right marketing activities are not undertaken then not only will they be a failure but will also affect the movie's business. This industry is a fast growing one, so the market managers should take all the best steps to properly position the music they are promoting.

Beyond the horizon of tunes: Marketing of music is not that easy as it seems to be. It also covers all aspects of business management. This field is also very demanding like any other field of business management. Moreover, in India the pattern of music liking is passing through a continuous change process. So the players of this industry will always have to be prepared to create their business models to achieve success.

The music industry of Bollywood is one the most diversified globally. It exhibits the zenith of singing talent and also music composition of stupendous level. The music marketing of Bollywood is very unique in its approach. This industry also provides various opportunities for those who are inclined towards music and also have interest in the domain of business management.

This field is indeed a creative one and always offers places to those who are able to manage things with unique sustainable solutions. So that day is not far when the community of mad over music will become the community of mad over music marketing. Let the jingles be all around to bless the business.



Image source: ibnlive.in.com

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Behind the Silver Screen

By: Ajay Krishnaraj, PGDM (2012-2014) Finance, IMT Ghaziabad

"Cinema is a matter of what's in the frame and what's out" - Martin Scorsese

I feel that the Indian Film Industry dominated by Bollywood would agree and give a standing ovation to the master film maker on hearing this particular comment when he received his Oscar for best Director in 2007 for the critically acclaimed thriller "The Departed".

Bollywood has come a long way from the first silent picture Raja Harishchandra directed by Dadasaheb Phalke in the year 1913. Celebrating its centenary this year, Bollywood has seen it all - The golden age from the 40's to the 60's which saw classics like Guru Dutt's Pyaasa, K. Asif's Mughal-E-Azam and Mehboob Khan's Mother India upto the present age where we see West coming to the East to make movies like Slumdog Millionaire or Anglo Indian movies like Bend It like Beckham. Bollywood has been entertaining and continues to entertain the masses of India by transforming real life to 'Reel' life.

Bollywood has been making money by selling dreams and tales of romance, murder and betrayal. But who are the people responsible for building the Bollywood riches. Let's find out.

The Golden Age

Patriotism and passion drove film makers rather than money and this is seen as Film makers like Guru Dutt and Raj Kapoor themselves invested to put their ideas onto celluloid. In the 70's film makers got a better boost from investors as money from the construction business was used to fund movies and this was when movies started to be more about profits rather than just one of aesthetic value.

The Present Day

Financing of a movie is nowadays done in many ways.

Private Financing- Most popular mode where different interest rates are offered by different lenders.

Equity Partners- The second most common source of funds where private investors are given a share of the revenue generated. When Mr. Bedi of Kaleidoscope Entertainment walked into Exim Bank's office in Mumbai to convince officials that his movie had export potential, even he hadn't reckoned even he hadn't reckoned with success. The bank offered him Rs 8 crore (Rs 80 million) as loan at an amazingly low annual interest rate of 5 per cent. That's not all, for he also roped in high net worth NRIs - as equity partners on the project. The movie Mangal Pandey ended up raking Rs33 Cr despite bombing at the BO. This combination of debt and equity helped reduce the cost of financing for movies by a great deal.

Large Producers - Very rare because they generally reserve their excess capital for their own productions.

Distribution Financing- This is generally limited for big banner films with a reputed director and a star cast.

The total funding for films from organized sources have increased from approximately Rs 430 million in 2001 to Rs 575 million in 2002 to Rs 1760 million in 2003 representing an increase of more than 200% in 2003 over the last year. According to a Yes Bank report, over 38 per cent Hindi films in 2004 were financed through non-traditional sources (debt, IPO, private and individual equity, companies, TV broadcasters) compared to only 10 per cent two years before that.

From where do they rake in the moolah?

BO collection- This constitutes about 35-40% of the total revenue from a movie. Remarkably this number came down from 80% a few years back due to several additional streams of revenue for a movie. Currently in terms of BO Collections, 3 Idiots stand tall at Rs2,025,700,000.

Satellite Rights- The TV rights of Hanuman, the animated film were sold for a staggering Rs 2.5 Cr even before the movie was released. This is one of the crucial streams that producers look at as it will ultimately determine whether they make or lose money.

Overseas Rights- Accounts for around 20% of revenue generated.

Home Video- Includes DVD, VCD and Blu-ray. These account for 10% of revenues.

Music- This accounts for 10% of revenues and includes both wireless and internet downloads.(Gupta)

Miscellaneous- Merchandising as in the case of Ra-One and On screen advertising i.e product placement as in the case of Coca Cola being 'advertised' in the Movie 'Taal'.

Key stakeholders

Producer- He can make money by pre-selling the distribution rights to distributors for a particular territory. If the film does well and the distributor makes up the cost, then any additional revenue is shared with producer as per a pre determined formula.

Distributor- They offer a fee to producer to distribute the film and also spend on the print and publicity of the movie. Any excess income is shared with the producer. In some cases, both may be the same entity. Like Yash Raj Films, which distributes most of its films.

Exhibitor- Initially Distributors had to pay a fixed rental to exhibitors to exhibit their movies. However nowadays revenue sharing model is adopted. In the first week, revenue sharing is around 50:50 and in each subsequent week the share of the distributor is reduced.

The growth of the Rs 100 Cr Club

One look at the table shows a tremendous rise in the number of movies joining the exclusive Rs 100 Cr club. What are the factors that led to this growth?

| Year | Film |
|------|------------------|
| 2008 | Ghajini |
| 2009 | 3 Idiots |
| 2010 | Dabangg |
| 2010 | Golmaal 3 |
| 2011 | Ready |
| 2011 | Singham |
| 2011 | Bodyguard |
| 2011 | Ra.One |
| 2011 | Don 2 |
| 2012 | Agneepath |
| 2012 | Housefull 2 |
| 2012 | Rowdy Rathore |
| 2012 | Bol Bachchan |
| 2012 | Ek Tha Tiger |
| 2012 | Barfi! |
| 2012 | Son of Sardaar |
| 2012 | Jab Tak Hai Jaan |

Image Source: <http://forbesindia.com/blog/business-strategy>

1. Inflated Ticket Prices- An average ticket price of Rs 150 and multiplexes like PVR charging upto Rs 400 on weekends have significantly contributed to the burgeoning revenues.
2. Growth of multiplexes- Today, there are close to 1400 multiplex screens that alone contribute 70% of collections.
3. Digital prints and wider releases
4. Extended weekend releases- Gone are the days when Friday was considered the sacrosanct day for a movie release. Nowadays producers are utilizing the benefits of releasing movies on extended weekends or holidays so as to tap the repeat value of movies. (Mitter)

With the tremendous growth being envisaged in terms of number of screens and ticket prices, one thing is for sure – Bollywood will shine and the audience will be entertained.

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We invite articles for the May 2013 Issue of Samvad.

The Theme for the next month: May 2013 - “**Banking**”

The articles can be from Finance, Marketing, Human Resources, Operations or General Management domains.

Submission Guidelines:

- Word limit: 1000 words or a maximum of 4 pages with relevant images.
- Cover page should include your name, institute name, course details & contact no.
- The references for the images used in the article should be mentioned clearly and explicitly below the images.
- Send in your article in .doc or .docx format, Font size: 12, Font: Constantia, Line spacing: 1.05' to **samvad.we@gmail.com. Deadline for submission of articles : 31st May, 2013**
- Please name your file as: <YourName>_<title>_<section name e.g. Marketing/Finance>
- Subject line: <YourName>_<Course>_<Year>_<Institute Name>
- Ensure that there is no plagiarism and all references are clearly mentioned.
- Like our Fb pg: [Samvad.WeSchool.Student.Magazine](#).

Samvad Blog

As said by Ann Morough Lindburg, “Good communication is as stimulating as black coffee and just as hard to sleep after.” Samvad, which means 'to converse' in Hindi, is exactly the motive of our team Samvad. Our readers and writers are of utmost importance to us at Samvad. We don't like to interact with you only once when the issue is released. So, we thought, what next? Then came the idea of a blog - the ideal platform for meaningful discussion on a more regular basis. Hence, we present to you 'The Samvad Blog'. The Samvad Blog, as the name suggests is a blog dedicated to sharing of information, insights and opinions that allow exchange of some valuable ideas by stimulating your intellectual senses. It will include some interesting reads on management gurus, book reviews, and relevant articles among many other varieties of food for thought.

<http://samvadwe.blogspot.in/>

Don't forget to comment with your opinions. Always have a healthy debate we say! As progression lies not in agreement, but debate!



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