



Does Star Cast Effect Box Office Collection of Bollywood Films?

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Abstract

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Purpose: The Study is aimed to understand impact of star cast on Box office collection of Bollywood films.

Objective: To determine Factors influence audience to watch Bollywood films.

Design/methodology/approach: A case study is constructed on basis of Primary and Secondary data. A questionnaire is constructed by Likert scale and managed by using convenience sampling. A sample size was of 79 respondents who filled questionnaire. Another sample of top 10 films in 2018 in term of Box office collection has considered for purpose of analysis. The authors could add finding of case study to the body of knowledge of research in Bollywood films which otherwise having very limited knowledge in public domain.

Practical implications: The findings can provide some significant scope for Directors, Reviewers and Marketers in directions, reviews and promotions respectively.

Keywords: Star Cast, Audience, Box-office collection, Bollywood Films.

Paper type: A Case Study

William Goldman's (1983) classic statement: that in the movie business "nobody knows anything".

The Film Industry is one of the most vibrant Industries of the Indian economy. India produces more films than any other country in the world including USA. Hollywood in USA (United States of America) produces around 550 movies in a year, while Indian Film industry produces more than 1000 movies in every year (Krishnan and Sakkthivel, 2010). On any given day around four million Indian go to watch the movie and even these numbers will swell if it is on festivals and public holidays (Krishnan and Sakkthivel, 2010). The Hindi film making industry in India which is based in Mumbai, referred to as 'Bollywood' in general, is largest film producing centre in India (Sarkar and Nayak, 2009).

The Film Industry which is part and parcel of Entertainment and Media industry is one of the significant sectors for any Economy of the Country. It consists of Film Production Houses, Film Studios, Distributors, Exhibitors, Film Directors, Music Directors, Choreographers, Script Writers and many others includes Actors, Actresses and other important characters. The major clusters of film making centres in the world are located in United States, Nigeria, Egypt, Hong Kong, Canada, Australia, Indonesia, United Kingdom and India (European Audiovisual Council, Council of Europe, 2009). Due to low cost of production mainly of place & personnel and increasing curiosity of viewing the scene of other countries, many a times shooting of films take place outside of the country where films are produced (Film-reference, 2008). As a result, many times Hollywood and Bollywood movies are produced neither in US and India but in some other countries.

The Indian Entertainment and Media (E&M) industry, with revenues of about 805 billion INR (17.2 billion USD) in 2011, is poised to grow strongly over the next few years on the back of strong to moderate economic growth, increasing power of consumer spending and having positive demographic indicators (India Entertainment and Media Outlook, 2012). The industry revenues are expected to reach 1,764 billion INR (37.6 billion USD) by 2016, with a CAGR of about 17% from 2012 to 2016 (India Entertainment and Media Outlook, 2012) and Currently, India ranks 14th largest E&M market in the world, with revenues of industry contributing about 1% of GDP.

Indian Film Industry:

The Indian film industry is multi-lingual and one of the largest in the world in terms of sales of tickets, number of films produced in a year (Central Board of Film Certification, Ministry of Information and Broadcasting, GoI, 2010). The Indian film industry is supported mainly by a large number of film-going Indian public, and besides Indian films has been gaining popularity in the rest of the world — mainly in countries where large numbers of Indian lives for example like UK, US and Middle East (Central Board of Film Certification,

Ministry of Information and Broadcasting, GoI, 2010). In India film business was given the status of an industry in 2000.

Enhancing the technology has created the upgrading from established cinematic norms of delivering product, to altering the manner in which content reached to target audience, as per regional tastes. Indian cinema found markets in over 90 countries where films from India are screened.

The other large Indian film industries are Tamil cinema and Telugu cinema which are located in Chennai and Hyderabad and are commonly referred to as “Kollywood” and “Tollywood”. The remaining majority portion of Film industry is spread across northern, western, and southern India with Punjabi, Bengali, Marathi, Oriya, Malayalam, and Kannada. However, there are also several smaller centres of Indian film industries in regional languages centred in the states for those languages that are spoken. The Indian films are made filled with full of musicals, action, romance, comedy, and an increasing number of special effects in term of full package entertainment (Tirumala, 2010).

The provision of 100% foreign direct investment has made the Indian film market more attractive to foreign enterprises such as 20th Century Fox, Sony Pictures, Walt Disney Pictures and Warner Bros (Business Line, 2010). The Indian enterprises such as Zee, UTV, Suresh Productions, Adlabs and Sun Network's Sun Pictures also largely participated in producing and distributing films (Khanna, 2003). Moreover, the Tax incentive to multiplexes has aided the multiplex boom in India. By 2003 as many as 30 film production companies has been listed in the National Stock Exchange of India, making the commercial presence of film industry in India (Khanna, 2003).

After two consecutive years of de-growth, when the Film industry had seen some of its most challenging and difficult times, 2011 brought back audiences to the cinema screens and applause to the film industry in India (India Entertainment and Media Outlook, 2012). Despite the economy rebounding only slightly, increasing digitization, growth in multiplexes, films with differentiated content, revival of the TV syndication market and huge expenditure of marketing or promotions behind films which was not in past led to the growth of the Indian film industry (India Entertainment and Media Outlook, 2012).

Film industry 2010 vs. 2011 (billion INR)

Source	2010	2011
Box office collection	61.1	68
Box office collection overseas	7.7	8.5
Home video	5.3	3.8
Ancillary rights	13.5	15.5

(Source: India Entertainment and Media outlook 2012 – Confederation of Indian Industry & PwC India)

According to India Entertainment and Media Outlook (2012) reported that “While in 2011 saw only a few films (like Wanted, Ready, Ra One, Singham and Don 2) break the 100 crore INR mark at the box office collection, but within first few months of 2012 have already seen a similar number of films surpass the new industry benchmark for blockbusters. Thereafter it becomes regular affair in every year after year. India Entertainment and Media Outlook (2012) stated that even though India is the largest producer of films in the world, it is only the eighth largest when it comes to box office collections. This reflects the industry’s inability to monetize its films better, even though the film industry is better coming of age with increased acceptance in overseas markets and domestic market.

Brief History of Bollywood:

Origin of Bollywood

Gulzar, Nihalani, Govind; Chatterji, Saibal (2003) stated that Raja Harishchandra in (1913), by Dadasaheb Phalke, was the first silent feature film made in India and by the 1930s, the industry was producing more than 200 films annually. The first Indian sound film, Ardeshir Irani’s Alam Ara (1931), was a major commercial success throughout India (www. tribuneindia.com). In 1937, Ardeshir Irani made the first color film in Hindi, Kisan Kanya (www. tribuneindia.com). Formula prevails at that time: lavish romantic musicals and melodramas.

Golden Age (late 1940s – 1960s)

Moti, Gokulsing, and Dissanayake (2004), Sharpe and Jenny (2005) and Gooptu and Sharmistha (2002) narrated that the films which were critically acclaimed in this era were: Guru Dutt films Pyaasa (1957) and Kaagaz ke Phool (1959) and the Raj Kapoor films Awaara (1951) and Shree 420 (1955). Famous epic films of Hindi cinema, Mehboob Khan’s Mother India, K Asif’s Mughal e Azam, V shantaram’s Do Aankhen Barah Haath (1957). Successful actors: Dev Anand, Dilip kumar, Raj kapoor and Guru Dutt, while successful actresses: Nargis, Meena kumari, Nutan, Madhubala, Waheeda Rehman and Mala Sinha. Emergence of a new “Parallel Cinema” movement led by Bengali Cinema.

Modern Era (1960s....)

Rauf (2008), Moti, Gokulsing, and Dissanayake (2004), Srinivasan (2008) and Kumar (2008) noted that Formula prevailing at that time was: Romantic confections made way for gritty, violent films about gangster or bandits and underworld, action-oriented flicks. Amitabh Bachchan, Mithun Chakraborty and Anil Kappor. Actresses from this era included Hema Malini, Jaya Bachchan and Rekha. Shyam Benegal continued to produce realistic Parallel Cinema throughout the 1970s alongside Mani Kaul, Kumar Shahani, Ketan Mehta, Govind Nihalani and Vijaya Mehta. During the late 1980s and early 1990s, the pendulum swung back toward family centric romantic musicals

with the success of such films as *Qayamat Se Qayamat tak* (1988), *Maine Pyar Kiya* (1989), *Hum Aapke Hain Kaun* (1994) and *Dilwale Dulhania le Jayenge* (1995), making stars out of a new generation of actors (such as Aamir Khan, Salman Khan and Shahrukh Khan) and actresses (such as Sridevi, Madhuri Dixit, Juhi Chawla and Kajol). Action and comedy films were also successful, with actors like Govinda, and Akshay Kumar and actresses such as Raveena Tandon, and Karishma Kapoor appearing in films of this genre. Some of the largest production houses, among them Yash Raj films, Dharma Productions, Red Chillies Entertainment, Rajshri Production, Balaji Telefilm and Reliance Entertainment were the producer of the new modern film; UTV Motion Pictures has been highly successful in recent times. The opening up of the overseas market, big budgeted films, more Bollywood releases abroad, huge marketing expenditure and the explosion of multiplex in big cities led to wider box office successes in India and abroad delivering a new generation of popular actors (Hrithik Roshan, Abhishek Bachchan, Ranbir Kapoor, John Abraham and Saif Ali Khan) and actresses (Aishwarya Rai, Preity Zinta, Rani mukerji Karrena Kappor, Katrina Kaif, Priyanka Chopra and Deepika Padukone).

Films as a Product:

Hirsch (1972) observed that “Films or movies are cultural goods defined as ‘non- material good’ directed at public consumers for whom they generally serve an aesthete or expressive, rather than clearly utilitarian function”. Different from any other product yet it is similar in some aspect like highly customized. William Goldman’s (1983) classic statement is that in the movie business “nobody knows anything”. It is a highly uncertain business because there is no perfect script or winning formula. Everything depends upon the imagination of the creative script, marketing budget and acceptance among the audience. Like any other product, important parameters include financial ratios likes ROI, Price, Promotion, Target Audience, Sales, Distribution and IPRs etc. Every movie is like starting a new business or venture because same production house or same characters may make the film hit as well as flop at different time. A successful movie is not indicator of future successes because every film is unique in own way.

Literature review of the Impact of Stars on Revenues

Several researchers have studied the effect of star power on revenues. The findings are debateable: some studies have not detected a direct relationship between revenues and talent involvement (Austin 1989; Litman 1983; Litman and Ahn 1998; De Vany and Walls 1999; Ravid 1999), while others have found evidence that a movie’s likely cumulative, weekly, or opening-week revenues increase with the rank of the star talent associated with it (Faulkner and Anderson 1987; Litman and Kohl 1989; Wallace, Seigerman and Holbrook 1993; Prag and Casavant 1994; Sochay 1994; Sawhney and Eliashberg 1996; Albert 1998; Neelamegham and Chintagunta 1999; Basuroy, Chatterjee and Ravid 2003; Elberse and Eliashberg 2003; Ainslie, Drèze and Zufryden 2005). The role of stars in the performance of their team or organization is also a general theme in the academic literature on group dynamics. They note that stars’ contributions could directly increase the team’s performance, but may also indirectly drive success, for example by enhancing the group’s perceived standing in the eyes of external

constituents. As Albert (1998) indicated, that actors can be characterized as “stars” for a number of reasons: they may have critically acclaimed acting skills, possess personality traits that appeal to the movie-going audience, attract a lot of free publicity, have the ability to secure investment, or simply have been lucky.

Factors that influence audience to watch films

- A. Actor
- B. Actress
- C. Supporting Actor/Actress
- D. Director
- E. Producer
- F. Script Writer
- G. Musical Director
- H. Production House
- I. Sequel Film
- J. Film Title



Conclusion and Discussion

Is the involvement of star actors critical to success in the motion picture industry? To what extent are the—often significant—investments in stars justified? The complex, one-off nature of motion pictures makes it extremely difficult to test hypotheses about the factors that drive success. The result that star participation positively affects movies’ revenues is in line with conventional wisdom. Because the approach developed here addresses methodological limitations in the relevant extent academic literature, it is encouraging to note that this study confirms the important role that is usually attributed to star talent. Although this study represents only an initial exploration of the impact of stars on the valuation of film studios, the lack of evidence to support a significant relationship is also noteworthy. There is insufficient reason to support the hypothesis that stars add more value than they capture. This alludes to “the curse of the superstar” (De Vany and Walls 2004). Stars may 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 instead of revenues. If firm valuation is a key objective, studio executives may benefit from altering their talent compensation schemes. The study insight into the determinants of stars’ impact on revenues could help studios in their talent recruitment and management efforts. For example, while a star’s past box office record and his artistic reputation provides guidance about his future box office performance, this study suggests that the expected contribution of a newly recruited star also positively depends on the number and, particularly, the strength of the other star cast members attached to the project. In that respect, the adage that it is all about combining the right star with the right cast still appears to hold. One implication for studio executives is that betting solely on one “A-list” star is not necessarily the best strategy—they need to consider each star in light of the other cast members that have signed on to the project. This result is compatible with the idea of complementarity among high-quality inputs, for instance because a better leading actress induces a better

performance from the leading actor. The observation that A-list talents work with one another on film projects more commonly than would result from random assignment (Baker and Faulkner 1991) is in line with this view. The result also corresponds with the so-called “O-rings theory,” which states that every input needs to perform at least up to some level of dedication and proficiency to result in a work of unified quality. Named after a key component on the space shuttle Challenger whose failure contributed to the shuttle’s explosion, it reflects a core property of multiplicative production processes: that an output’s quality depends on all inputs performing up to some standard (Kremer 1993, Caves 2003). These findings draw attention to a classic Alchian-and-Demsetz-type team problem: film making 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 as the product is not a sum of separable outputs of each of its members (Alchian and Demsetz 1972; Lampel and Shamsie 2003). Rather, one member’s expected contribution to a project is a function of the strength of the other talent working on that project. These interdependencies severely complicate talent recruitment and compensation decisions. By uncovering an interaction effect between the contributions of team members, study contributes to the group dynamics literature, and builds on Tziner and Eden’s (1985) work. Although more work is needed to understand the factors that create contexts in which high-ability members perform better in the presence of other high-ability members, the highly integrative nature of the film production process—the tasks of cast members require a close synchronization and are impossible to complete or evaluate in isolation—may be a key driver of this interaction effect. The fact that, in the study, it occurs for different types of group members’ “abilities” (or, specifically, for both economic and artistic reputations) sheds light on the importance of status in group settings. Important future research avenues remains, First, especially if the objective is to develop recommendations on talent compensation schemes, one logical extension would be to examine the impact of stars using data on movie-level profits—ideally talent salaries, profit shares, as well as other fees—and examine the optimal compensation mix from the perspective of the studios that employ stars (see Chisholm, 1997). A second avenue might be to take the perspective of the stars themselves, and investigate what determines a star’s lifecycle as well as how stars can best manage their careers for success (also see Eliashberg et al 2005). There is evidence that the length of star actors’ careers has decreased significantly since the mid 1960s, the competition for roles in big budget movies has intensified, and the process of bringing together creative talent has become more difficult with the breakdown of the system of long-term studio contracts for talent (Miller and Shamsie 1996, Lampel and Shamsie 2003). Given that the odds are stacked against success, actors should embrace insights that can help them better manage their careers, and find the right balance in their efforts to improve their economic and artistic reputation. Third, while it is arguably one of this study’s strengths to allow for a broad definition of stardom, manuscript leaves open the question why some actors are bigger stars than others. Some stars may simply have superior skills that help raise the quality of a movie, and therefore improve the odds of box office success, while other actors may be better (or perceived to be better) at helping advance movies through the development process and secure free publicity, investments, or other types of commitments (Forbes 2002, 2003). Future research could explore each of these aspects, thereby advancing our knowledge on the origins of stardom (e.g., Rosen 1981, Adler 1985).

ENDNOTE

- <http://www.mdhi.in/projects/kant-enclave/kant-enclave-studios.php>
- http://en.wikipedia.org/wiki/film_industry#cite_note-6
- http://en.wikipedia.org/wiki/Film_industry#cite_note—8

Exhibit 1**Overview of Top 10 Grossing films of 2018**

Rank	Title	Production company	Distributor	Worldwide gross
1	Sanju *	Vinod Chopra Films Rajkumar Hirani Films	Fox Star Studios	586.52 crore (US\$85 million)
2	Padmaavat	Viacom 18 Motion Pictures Bhansali Productions	Viacom 18 Motion Pictures	585.87 crore (US\$85 million)
3	Race 3	Salman Khan Films Tips Films	Tips Films Salman Khan Films	303.57 crore (US\$44 million)
4	Baaghi 2	Nadiadwala Grandson Entertainment	Fox Star Studios	253.18 crore (US\$37 million)
5	Raazi	Dharma Productions	AA Films	194.06 crore (US\$28 million)
6	Sonu Ke Titu Ki Sweety	T-Series Films	AA Films	148.51 crore (US\$22 million)
7	Raid	T-Series Films	Panorama Studios	142.81 crore (US\$21 million)
8	Veere Di Wedding	Balaji Motion Pictures Anil Kapoor Films & Communication Network	-	138.80 crore (US\$20 million)
9	Pad Man	KriArj Entertainment	Sony Pictures	120.56 crore (US\$18 million)
10	Dhadak *	Zee Studios Dharma Productions	Zee Studios	109.50 crore (US\$16 million)

Exhibit 2

Details of Top 10 Grossing films in 2018 regarding Casted Actors, Directors, Genre, and Production house

Title	Director	Cast	Genre	Production house
Padmaavat	Sanjay Leela Bhansali	Deepika Padukone Ranveer Singh Shahid Kapoor Aditi Rao Hydari	Period drama	Viacom 18 Motion Pictures Bhansali Productions
Pad Man	R. Balki	Akshay Kumar Sonam Kapoor Radhika Apte	Comedy Drama	Columbia Pictures KriAr Entertainment Hope Productions Cape Of Good Films Mrs Funnybones Movies SPE Films India
Sonu Ke Titu Ki Sweety	Luv Ranjan	Kartik Aaryan Nushrat Bharucha Sunny Nijar	Drama	T-Series Luv Films
Raid	Raj Kumar Gupta	Ajay Devgn Ileana D'Cruz Saurabh Shukla	Action, thriller	T-Series Panorama Studios
Baaghi 2	Ahmed Khan	Tiger Shroff Disha Patani Manoj Bajpayee Randeep Hooda Jacqueline Fernandez	Action/Romance	Nadiadwala Grandson Ent Fox Star Studios
Raazi	Meghna Gulzar	Vicky Kaushal Alia Bhatt	Period Thriller	Junglee Pictures Dharma Productions

Veere Di Wedding	Shashanka Ghosh	Kareena Kapoor Sonam Kapoor Swara Bhaskar Shikha Talsania Sumeet Vyas	Romantic comedy	Balaji Motion Pictures
Space 3	Remo D'Souza	Anil Kapoor Salman Khan Bobby Deol Jacqueline Fernandez Saqib Saleem Daisy Shah Freddy Daruwala	Thriller	Tips Films Salman Khan Films
Sanju	Rajkumar Hirani	Ranbir Kapoor Sonam Kapoor Dia Mirza Paresh Rawal Manisha Koirala Anushka Sharma	Biopic	Rajkumar Hirani Films Vinod Chopra Films
Shadab	Shashank Khaitan	Ishaan Khatter Jhanvi Kapoor	Drama	Dharma Productions Zee Studios

Exhibit 3 - (Posters of Films)



