FEATURED INSIGHTS

DELIVERING CONSUMER CLARITY

STAR-STRUCK: WHAT THE INDIAN MOVIEGOER WANTS

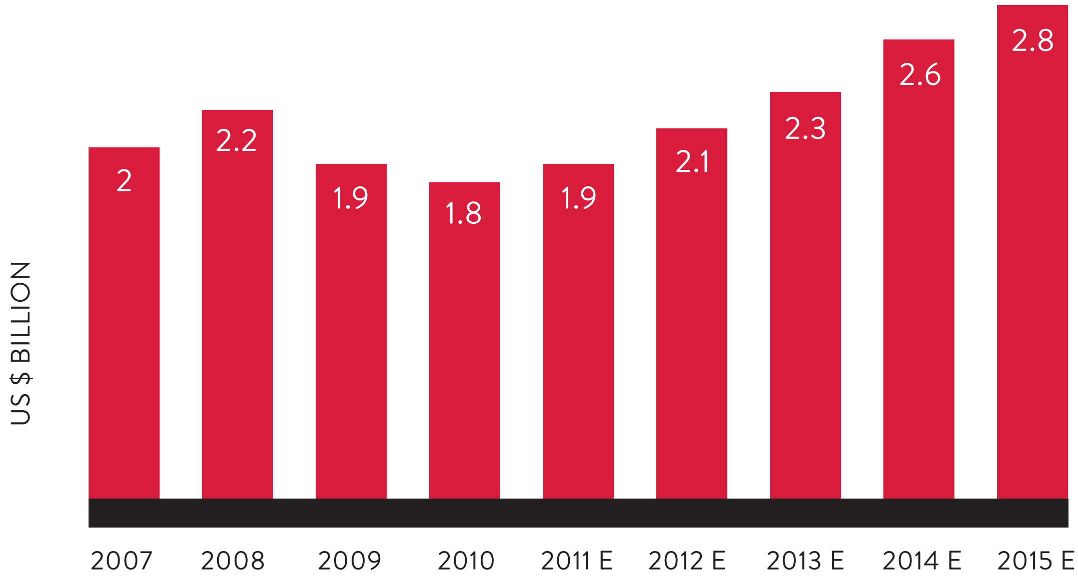
A CLOSE LOOK AT THE PREFERENCES OF INDIAN MOVIE AUDIENCES

- **EVERY ASPECT OF THE MOVIE IS DISCUSSED WITH FAMILY, FRIENDS AND COLLEAGUES, BUT THE FINAL DECISION TO WATCH A MOVIE IS UNPLANNED AND INSTINCTIVE**
- **MOVIES ARE NOW THE MOST PROFITABLE WITHIN THE FIRST FEW DAYS OF THEIR RELEASE BECAUSE OF INCREASED SPREAD OF SOCIAL MEDIA**
- **51% OF THE MOVIE GOING AUDIENCE IS INFLUENCED BY OFFERS AND DISCOUNTS**

If there are two things that drive India, they are cricket and movies. Team India's performance wobbles now and then, but the Indian film industry's success keeps building.

The Indian film industry is the largest in the world. It produces more than 1,000 movies each year in over 20 languages. To put this into perspective, the more profitable U.S. film industry produces around 600 movies in a year.

India's population, crazy about movies and film stars, sustains the vast industry by buying around 3.3 billion tickets annually, the highest for any country. Moreover, the popularity of movies made in the country is growing abroad, especially in countries with large Indian expatriate populations. The industry's revenue from sources such as ticket collection at the box office, home video and ancillary revenues that includes broadcast rights is estimated* to expand at 9 percent every year and be worth $2.8 billion by 2015.



Source: Industry estimates

The growth of the Indian film industry has been helped by rising purchasing power of people across the country, especially in its urban pockets. The recent surge in the percentage of young people in the country has also contributed—around half of India is less than 25 years old.

In an attempt to understand the country's movie-going population, Nielsen conducted a study on moviegoer preferences and ticket-purchasing patterns. These insights can give cinema owners and entertainment companies an edge.

* Deloitte report Media and Entertainment India 2011

RULES OF ENGAGEMENT

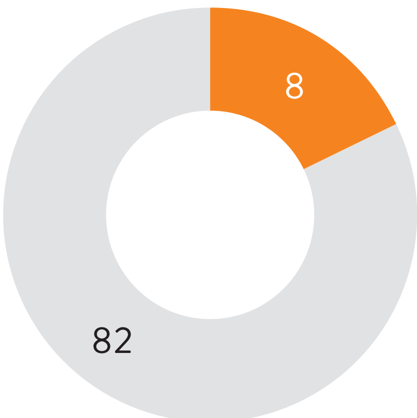
The hours leading up to ticket purchases are extremely involved for Indian audiences. The study showed that audiences discuss every aspect of a movie with family, friends and colleagues before going to the movies. However, the final decision to watch a movie is, however, unplanned. In fact, decisions are often on-the-spot and instinctive.

Audiences will discuss their choice of movies, ticket prices, movie content and actors before buying a ticket, though the last two factors are considered the most important. Still, around four out of every five women and 92 percent of SEC B respondents seek opinions on ticket prices.

The movie content matters to almost all women but only 77 percent of men. At least 85 percent of Mumbai residents who were part of the study said the show timings mattered to them. The same held true for 70 percent of Delhi residents.

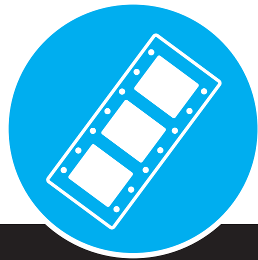
The study also revealed that most people are willing to change their minds about the type of screen and show timings at the last moment. But they are less likely to modify their decisions on what movie to watch and the ticket class.

One decision the majority of Indians agree on is the location—around 82 percent of the participants said they preferred multiplexes to single-screen cinemas. Multiplexes are more popular because the movie outings could include eating out and shopping.



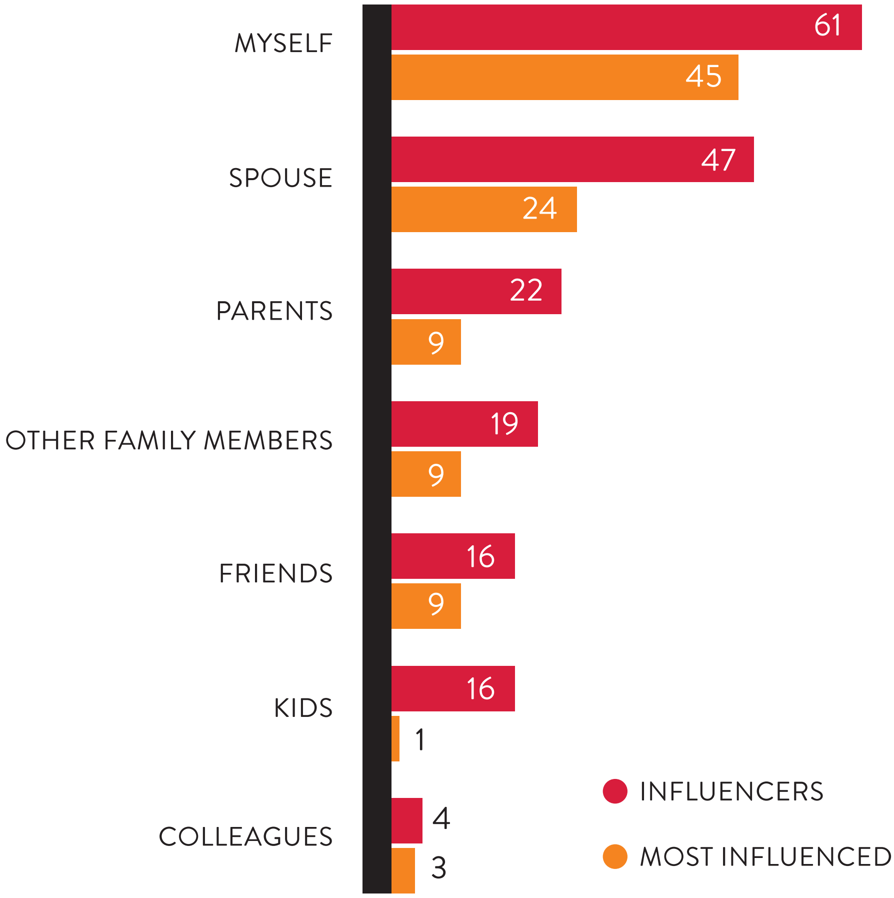
Figs. in %
Source: Nielsen

So, what really influences decision-making? The study findings suggest personal preferences and those of spouses mattered most. However, there are regional differences. For example, in Mumbai, 34 percent of consumers make decisions after consulting friends and family. In Delhi, however, the influence of other people is much lower (11%).



DECISIONS ON WATCHING MOVIES ARE OFTEN ON-THE-SPOT AND INSTINCTIVE.

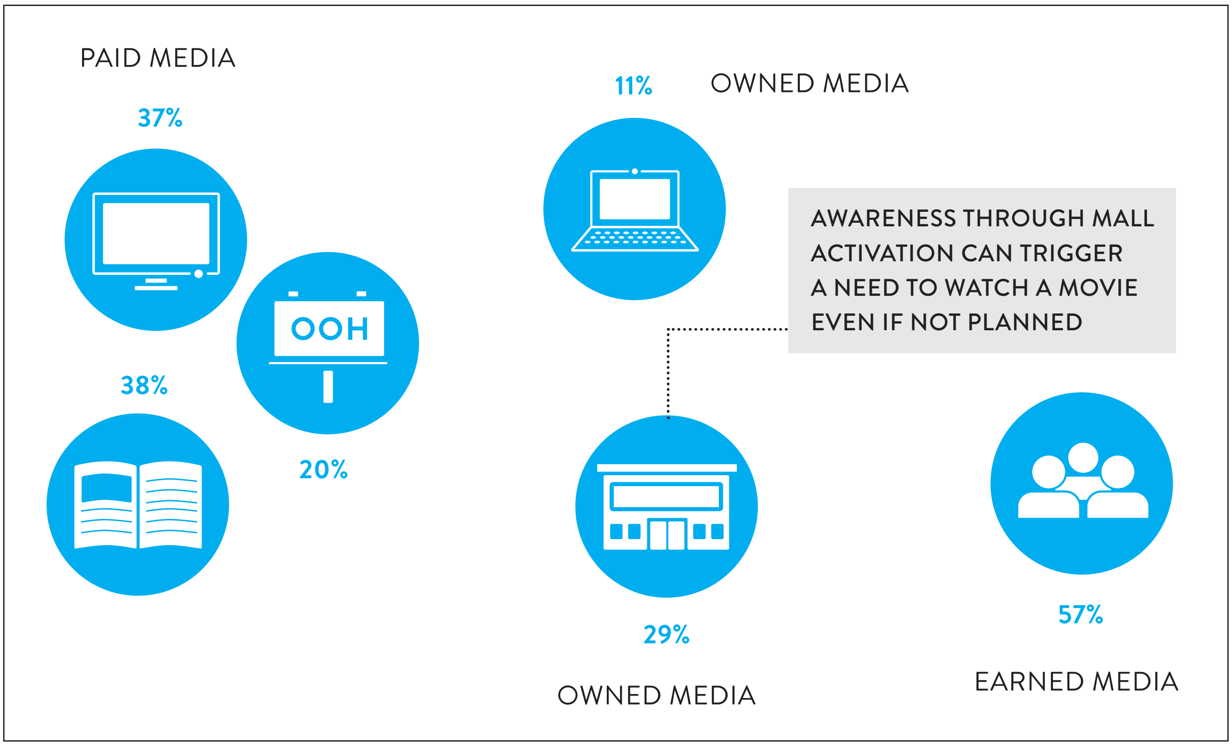
WHOSE DECISION IS IT ANYWAY?



Figs. in %
Source: Nielsen

DID YOU SEE THE TRAILER?

Most moviegoers find information about upcoming films through TV, out-of-home advertising channels and print, such as newspapers and magazines. The study also found the awareness through mall advertising could trigger the need to watch movies, even if it wasn't planned. The study highlighted "earned" media from word of mouth and social networking as the most influential sources of information.



GONE WITH THE WEEK?

Movies nowadays have shorter shelf lives and are most profitable in the first few days of their release. The initial days contribute between 60 percent and 80 percent to the total collection. The change in consumption patterns has been affected by cinema digitisation, which allows for movies to be released in cinema halls across the country simultaneously. This in fact, has led to a shorter shelf life for movies in cinemas resulting in an early release on television.

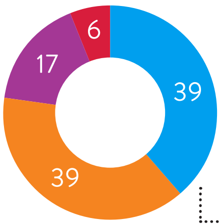
TICKET PRICES HAVE SURGED 15-20 PERCENT OVER THE LAST YEAR, BUT THAT HASN'T AFFECTED SALES.

The lower shelf lives have prompted multiplexes to introduce separate pricing strategies for different times of the day and week. Still, prices overall have risen during the past year by 15-20 percent. According to the study, however, this hasn't affected sales.

PROMOTIONS WORK

Offers and discounts make a difference to ticket sales. As many as 80 percent of the respondents said they made changes to their movie plans to take advantage of discounts and offers. Around two-third of them said their movie outing was accompanied by some spending, including eating out and/or leisure activities, while three out of every five people shopped before or after a movie.

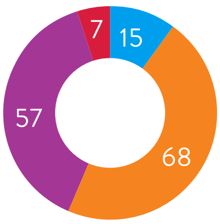
PROMOTIONS IMPACT BEHAVIOUR



- Watched the movie ahead of plan because of offers/ discounts
- Delayed watching the movie to take advantage of offers/ discounts
- Offers/discounts did not have any impact on my decision
- There were no offers/ discounts available when I went to watch/book

"80% claim that they have advanced/ delayed their movie plan to take advantage of discounts or offers"

Movie watching is accompanied by spends (2/3rd) and about 3/5th shop before or after the movie; mainly SEC A



- Gaming
- Eating out in the food court/restaurants
- Shopping in the area around the theatre/ shopping mall
- None

Figs. in %
Source: Nielsen

While concerned about cost, movie audiences are open to experimentation in their quest for new experiences. Those movie makers who release both 2D and 3D versions see that the more high-tech films doing better business. And as many as 96 percent of the respondents said they had experienced something new during their last movie-going experience.

The Nielsen study demonstrated that movie going is not a solo activity anymore. Consumers bring along their friends, family or colleagues and turn movie outings into chances to go shopping, eating or spending money elsewhere. This presents a great opportunity for companies in the entertainment space. The study also showed that Indian audiences are keen on new experiences while watching movies.

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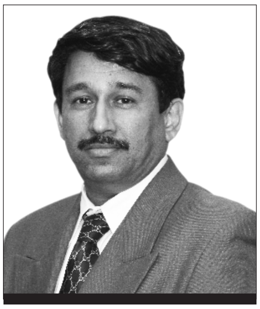

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Kavita Acharekar and Brian Sequeira from the Nielsen Media team contributed to this issue of Featured Insights.

ABOUT NIELSEN

Nielsen Holdings N.V. (NYSE: NLSN) is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence and mobile measurement. Nielsen has a presence in approximately 100 countries, with headquarters in New York, USA and Diemen, the Netherlands.

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