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Strategic Risk Issues for Film Distributors of Hindi Film Industry in Mumbai: A Grounded Theory Approach

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Abstract: The purpose of the paper is to address the strategic risk issues surrounding Hindi film distribution in Mumbai for a film distributor, who acts as an entrepreneur when launching a product (movie) in the market (film territory). The paper undertakes a fundamental review of films and risk in the Hindi film industry and applies Grounded Theory technique to understand the complex phenomena of risk taking behavior of the film distributors (both independent and studios) in Mumbai. Rich in-depth interviews with distributors are coded to develop core categories through constant comparison leading to conceptualization of the phenomena of interest. This paper is a first-of-its-kind-attempt to understand risk behavior of a distributor, which is akin to entrepreneurial risk behavior under conditions of uncertainty. Unlike extensive scholarly work on dynamics of Hollywood motion picture industry, Hindi film industry is an under-researched area till now. Especially how do film distributors perceive risk is an unexplored study for the Hindi film industry. Films are unique experience products and the film distributor acts as an entrepreneur assuming high risks given the uncertainty in the motion picture business. With the entry of mighty corporate studios and astronomical film budgets posing serious business threats to the independent distributors, there is a need for an in-depth qualitative enquiry (applying grounded theory technique) for unraveling the definition of risk for the independent distributors in Mumbai vis-à-vis the corporate studios. Need for good content was a common challenge to both the groups in the present state of the industry, however corporate studios with their distinct ideologies, focus on own productions and financial power faced different set of challenges than the independents (like achieving sustainability in business). Softer issues like market goodwill and relations with producers, honesty in business dealings and transparency came out to be clear markers for success of independents in long run. The findings from the qualitative analysis stress on different elements of risk and challenges as perceived by the two groups of distributors in the Hindi film industry and provide a future research agenda for empirical investigation of determinants of box-office success of Hindi films distributed in Mumbai.

Keywords: entrepreneurial risk behavior, film distribution strategy, Hindi film industry, risk

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