



## Impact of Multiplex & OTT Platform over Traditional Cinema Hall -A Study

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### ABSTRACT

Over the last decade, India has registered the fastest growth among major democracies and is now the fourth largest economy in terms of “purchasing power parity”. Over the years, spending power has been steadily increasing in India. On an average, 30-40 million respondents are joining the middle class every year. India’s multiplex & OTT Platform could finally be waking up to profits and a new lease of life. The advent of Over-The-Top (OTT) platforms and the proliferation of multiplexes have significantly transformed the traditional cinema industry. This study explores the multifaceted impact of these developments on cinema halls, particularly in densely populated urban areas. The research evaluates changes in audience behavior, financial performance, and industry trends, providing insights into the evolving dynamics of entertainment consumption. As of mid of december 2023, PVR INOX oprates approximately 1669 screen across350 properties in 109 cities within INDIA.

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### Introduction-

Kinopolis Madrid opened in Spain on 17 September 1998; it is the world's largest cinema complex and has a total seating capacity of 9,200 with 25 screens, each seating between 211 and 996 people. India is home to the world’s largest film entertainment market (in terms of the number of feature films released each year, which approximates 1,200) with the number expected to grow at a 16-18 percent CAGR, to

reach approx. INR 652bn, by 2027. The study is required to observe what drives PVR to move forward even in such a tough competition and keep sustaining and maintaining the place of Market Leader in Multiplex Industry. The global entertainment industry has witnessed a paradigm shift over the past two decades. While traditional cinema halls have been the cornerstone of movie-watching experiences, the emergence of multiplexes and OTT platforms has disrupted the status quo. High-density cities, with their unique demographics and consumption patterns, provide an ideal setting to study these transformations. Several studies highlight the rise of OTT platforms such as Netflix, Amazon Prime, and Disney+, which offer convenience and personalized content. Similarly, multiplexes have redefined movie-going experiences with superior infrastructure and diverse offerings. However, their growth has also posed challenges to traditional single-screen cinema halls, particularly in high-density urban centers. The PVR INOX Plans to add 110-120 screens by March 2025, aiming to penetrate tier 3 & tier 4 cities to tap into new audience. (Reuters). The proliferation of streaming platforms has intensified competition. Leading services include Disney+, Hotstar, Amazon Prime Video & Netflix that attract a substantial viewer base.

### 1.1 Objectives of the Study

- \*To analyze the impact of multiplexes and OTT platforms on the financial viability of traditional cinema halls.
- \*To study changes in audience preferences and viewing habits.
- \*To evaluate how cinema halls are adapting to competition from multiplexes and OTT platforms.
- \*To determine the customer interest towards OTT.
- \*To assess the problem of customer to multiplexes..

**1.2 Significance of the Study** Understanding these changes is crucial for stakeholders in the entertainment industry, including filmmakers, distributors, cinema hall owners, and policy-makers.

## 2. Research Methodology

**2.1 Research Design**-Descriptive Research Design.

**2.2 Data Collection**

**Primary Data:** Surveys and interviews with cinema hall owners, audience members, and industry experts.

**Secondary Data:** Analysis of industry reports, market trends, and case studies.

**2.3 Study Area** This study focuses on high-density populated cities, where competition between traditional cinema halls, multiplexes, and OTT platforms is most pronounced.

**2.4 Tools and Techniques** Quantitative analysis using statistical tools and qualitative analysis through thematic mapping

### 3.0 Key players of multiplex industry

As of mid of 2023, the Indian multiplex industry is dominated by several key players:

**PVR INOX:** Formed through the merger of PVR Cinemas and INOX Leisure in early 2023, PVR INOX is the largest cinema chain in India. The merger combined their resources, resulting in a significant presence across the country.

**Carnival Cinemas:** Headquartered in Mumbai, Carnival Cinemas operates approximately 470 screens across 115 locations in India. The chain has a substantial presence in various cities, including Mumbai, Delhi, Bangalore, and Chennai.

**Cinépolis India:** A subsidiary of the Mexican cinema chain Cinépolis, it operates around 360 screens in India. Cinépolis has a presence in cities like Bhubaneswar, Bangalore, Mumbai, and Delhi.

**Miraj Cinemas:** Operating 162 screens across 56 locations, Miraj Cinemas has expanded its footprint in various states and cities, contributing to the growth of the multiplex sector in India.

These companies have played a pivotal role in transforming the movie-watching experience in India by introducing modern amenities and a diverse range of film options.

Over-the-top (OTT) platforms in India have grown rapidly over the years, with many key players providing diverse content to a broad audience. Here's an overview of some of the major OTT platforms in India:

### 1. International Platforms

- **Netflix:** Known for premium international content, Bollywood films, and high-quality original Indian productions like *Sacred Games* and *Delhi Crime*.
- **Amazon Prime Video:** Offers a mix of Hollywood, Bollywood, regional cinema, and original series like *Mirzapur* and *The Family Man*.
- **Disney+ Hotstar:** Popular for Disney content, live sports (like IPL), Bollywood films, and Indian originals.

### 2. Indian Platforms

- **Zee5:** Offers a wide range of regional content in multiple languages, along with original series, movies, and TV shows from Zee Network.
- **SonyLIV:** Known for live sports (such as UEFA and cricket), original series, and Sony Network TV shows.
- **Voot:** Hosts content from Viacom18's TV channels and offers originals in multiple languages.
- **ALTBalaji:** Specializes in bold and dramatic original web series aimed at younger audiences.
- **MX Player:** A free platform with ad-supported content, including movies, web series, and TV shows in various languages.
- **Eros Now:** Focuses on Bollywood and regional cinema along with some original web series.

### 3. Regional Platforms

- **Hoichoi:** Focuses on Bengali content, including movies, web series, and music.
- **Aha:** Dedicated to Telugu content, with original web series and regional movies.
- **Sun NXT:** Offers Tamil, Telugu, Kannada, and Malayalam movies and TV shows.

### 4. Sports-Focused Platforms

- **JioCinema:** Streamed the Indian Premier League (IPL) for free in 2023 and has Bollywood and Hollywood films, TV shows, and original content.
- **FanCode:** Focuses on live sports streaming and sports-related content.

These platforms have revolutionized content consumption in India by catering to diverse tastes and languages, leveraging India's high internet penetration and smartphone usage.

## **Key Risks**

### **Reduction in Discretionary Spending**

The multiplex sector thrives on consumerism and discretionary spending. 2013 was a bad year for the Indian economy, with inflationary pressures and declining disposable income as a result. Any prolonged reduction in discretionary spending would lead to reduced revenues and profits for the multiplex sector.

### **Threats from Other Forms of Entertainment**

While movies are a leading source of entertainment for most people, other sources, such as cricket tournaments and amusement parks, can lead to reduced occupancy levels at multiplex properties. When the Indian Premier League (IPL) Cricket tournament was launched in 2008, it led to a major drop in occupancy rates at multiplex screens, as cricket fans stayed glued to their TV sets.

## **4. Findings of the study**

**Key Findings are as mentioned below-**

### **4.1 Audience Behavior**

A significant shift towards OTT platforms for convenience and affordability.

Preference for multiplexes for premium experiences, such as IMAX and 3D.

### **4.2 Financial Implications**

Decline in footfall and revenue for traditional cinema halls.

Multiplexes reporting steady growth despite OTT competition.

### **4.3 Adaptation Strategies**

Traditional cinema halls upgrading infrastructure and offering competitive pricing.

Collaborations between cinema halls and OTT platforms for hybrid screening models.

## 5. Discussion

**5.1 Implications for Cinema Halls** Cinema halls in high-density cities face the dual challenge of maintaining relevance and profitability. While multiplexes leverage advanced technology and diverse content, traditional halls must innovate to attract and retain audiences.

**5.2 The Role of OTT Platforms** OTT platforms have democratized content access but have also intensified competition. Their ability to offer regional and global content has reshaped audience expectations.

## 6. Recommendations

**For Cinema Halls:** Invest in technology and customer experience; explore hybrid models integrating OTT content.

**For Policymakers:** Provide financial support to traditional cinema halls and encourage collaborations between stakeholders.

**For OTT Platforms:** Partner with local cinemas to enhance outreach and audience engagement.

## 7. Conclusion –

A multiplex is a movie theater complex with multiple screens, typically more than one screen within a single complex. They are usually housed in a specially designed building. Kinopolis Madrid opened in Spain on 17 September 1998; it is the world's largest cinema complex and has a total seating capacity of 9,200 with 25 screens, each seating between 211 and 996 people. India currently has an estimated 13,000 movie screens, of which an estimated 2,500 are multiplex screens. The rapid evolution of Over-The-Top (OTT) platforms in India has garnered considerable attention from researchers, analysts, and industry experts. The OTT Sectors in india has experienced substantial growth,with projections estimating the market to reach rs 12000 cr by 2023.(economic times)

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