When *The Host* Arrived: A Report on the Problems and Prospects for the Exchange of Popular Cultural Commodities with India

A Research Project by The Asian Popular Research Programme of Centre for the Study of Culture and Society, Bangalore

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Background:

In the recent past there has been a boom in the culture industries the Republic of Korea, which has been noted by economists and academic researchers alike. Both film and television industries in Korea witnessed a phenomenal growth in this period. There was a sharp rise in the consumption of locally produced films in Korean, which in turn resulted in the assembly of the Korean version of the Hollywood blockbuster, which in addition to being produced on a massive scale also targeted international markets. 'Korean Wave' is the phrase used to describe the increasing spread and popularity of Korean cultural products, especially television productions, in the East Asia region and other parts of the world. Whereas the international success of Korean television is not in doubt, the same cannot be said of Korean cinema abroad. Most international successes have been low-budget romances while the blockbusters fared either poorly or had a mixed reception. However, the film industry persists with its attempts to showcase its big budget productions internationally and consolidate its presence in the international market. It is in this larger context of the expanding culture industries of Korean that India, a film market whose very size makes it an obvious target for exports, became as a destination of the Korean Wave. Indeed by 2007, India was the only major Asian market, and possibly among the few in the world, that was unfamiliar with the Korean Wave in its cinematic and televisual variants.

The Indian release of *The Host* (Dir. Bong Joon-ho, 2006) through a Chennai based distributor was the first major release of a Korean film in this country. The symbolic significance of the event was underscored by the fact that InKo Centre, Chennai and the Embassy of the Republic of Korea, New Delhi supported previews of the film, inaugurating the official arrival of the Korean wave in India. The release of the film opens up many interesting possibilities for film industries in Korean as well as India. Within months of the release of *The Host*, the Korean blockbuster *D-War* was released across the country. It is likely that in the near future industrial and governmental agencies will establish channels of communication and exchange facilitating an unprecedented flow of films and other cultural products between these countries.

In 2007, coinciding with the proposed release date of the film, The Asian Popular Research Programme of Centre for the Study of Culture and Society, Bangalore, received a grant to carry out a research project on the career of the South Korean film *The Host* in India. *This is the very first and at present the only project to study Korean cinema or popular culture in India*. The project intends to throw open a set of research questions that would be of interest to academics in India and Korea. In addition it attempts to venture beyond addressing an exclusively academic audience by making a set of observations/recommendations that would be relevant to representatives of industrial and governmental agencies in both countries.

The Problem:

The project examined the context and responses to the circulation of the Korean blockbuster *The Host* in India. Although Korean popular and art films were released in

India in the past, this is the very first time that a production from South Korea was positioned to operate with the kind of economies of scale that are usually associated with Hollywood releases. The film's pre-release reports stated that the film would be released simultaneously in English as well as three Indian language versions in a hundred cinemas across the country.

The larger researchable problem thrown up by the career of the *The Host*, and one often unavailable to market research agencies, is one of *cultural impenetrability*. Why do certain markets, especially Indian and Chinese markets, prove to be impenetrable to commodities produced elsewhere? We propose that a significant process of addressing 'cultural impenetrability' – and the usefulness of making the *cinema* the point of departure – is the ability to study the cinema *as a cultural object*. A vast majority of reports on film and media industries do not understand the nature of cultural objects.

Cultural theory has demonstrated that cultural objects make meaning contextually. 'Context' as a key determinant of meaning has rarely been understood as including industrial settings and business practices prevalent there. Our examination of the Indian journey of *The Host* throws light on the ways in which the host market and its modes of operation transform film in fairly foundational ways, making it mean quite differently from its Korean context. Further, and this is a key thrust area of our project, the career of this film in India also brought it face to face with a specifically Indian constellation of problems related to the translation of *cultural value into economic worth*.

In the Indian context, one of the critical issues that confront culture industries is the difficulty of translating cultural value into economic value. The Indian film industry has traditionally been the key site where this translation problem was battled by generations of industry as well as government functionaries. While the cinema has been a 'national form' for over half a century now, the film industry has been making losses throughout its existence. A further point to note is that in spite of being highly regulated—with laws governing every aspect of its existence from minimum wages of workers to pre-censorship of films to restrictions on the number of seats in a cinema hall and also the price of tickets—the film industry continues to be opaque. Information that would be considered fairly basic in other industries, including number of screens, gross annual collections, etc. remains unavailable. This results in a situation in which established local players not only operate with far greater ease than newcomers regardless of their place of origin but also run the business involving highly sophisticated methods that do not require the generation and processing of self-explanatory data.

In the recent past, there has been an effort to integrate the cinema into a larger culture industry, which *disperses film into multiple sites of consumption but also atomizes film into a range of commodities as a means of addressing the problem of value.* As a result there has been a gradual downgrading of the theatrical exhibition's importance for the economics of a film. The real action is in at the other 'windows' of revenue: non-local distribution territories, digital formats, generation of consumable for new technologies (ringtones, for example), etc. But the more important point about this regime change is the huge premium given to the generation of data that in turn facilitates estimates, projections, assembly of corporate business strategies and the translation of value into monetary terms.

The question we asked with reference to *The Host* was: what happens to a non-Hollywood cultural import in India a) in an context that is unlike that in all other film markets in terms of sheer opacity and b) at a time of rapid transformation of the traditional exhibition and distribution sectors. A large part of our research has been to map the film industry by generating estimates, whose factual accuracy we knew was not easy to establish. What made our task particularly difficult was the fact that Asian and other non-Hollywood films released in India are picked up by small 'independent' importers for circulation in the lowest rungs of the distribution and exhibition ladder in India. Very little information, even in comparison with the rest of the film industry, exists about this sector.

The Host was a particularly good starting point to gain insights into the functioning of this segment of the film industry because its Indian distributor, Indo Overseas Films, is among the country's largest and most experienced importers of Hong Kong and other Asian films. Indo Overseas Films, was established by an NRI who was an exporter of seafood. Prior to 1984, the company distributed Hindi films. In 1984 it began to distribute films imported by the state-owned National Film Development Corporation (NFDC), which became the canalising agency for imported films in 1980.[1] In 1990, when the government relaxed import regulations, it began importing films directly with foreign exchange earned from its seafood exports. Today the Chennai based company has its branches in Mumbai and Kochi. The company released a number of Jackie Chan hits in the past and Thai blockbusters more recently. The segment of the film industry that Indo Overseas Films has traditionally presided over and continues to have privileged access to is the *Indian B circuit*.[2] It is large, consisting of thousands of single screen cinema halls across the country and hundreds of small distributors who feed them. But the B circuit today is struggling for survival. This is due to increasing running costs, reduced ticket sales and emergence of alternative sites for exhibition: the multiplex on the one hand and syndicated chains of single-screen cinemas controlled by corporate players on the other. One of its survival strategies has been to trade in the cheapest films money can buy so that even the most decrepit of cinema halls can hire prints to keep themselves in business.

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[1] The establishment of Indo Overseas Films was a direct consequence of the attempts made by the Government of India in the 1980s to loosen the stranglehold of Motion Picture Export Association of America (MPEAA) on the market for imported films in India. For discussion of MPEAA's activities in India and the Government of India's response to its activities, see Manjunath Pendakur, "Dynamics of Cultural Policy Making: The US Film Industry in India." *Journal of Communication*, Volume 35, Issue 4, December 1985. Pendakur points out that Government of India asked MPEAA to leave the country in September 1983. The immediate reason, he states, may have had to do with the discomfort of the government over the repatriation of the earnings of MPEAA. Till April 1985, when a new agreement was drawn up with MPEAA, the association did not have an office in India. This was the period during which Indo Overseas Films began to distribute imported films.

[2] For an analysis of this segment of the distribution and exhibition sectors in India see S.V. Srinivas, "Hong Kong Action Film in the Indian B Circuit." *Inter Asia Cultural Studies*, Vol. 4, No. 1, April 2003 and Bhrigupati Singh, "A Life in the Theatre." *Seminar*. No. 525, May 2003. Available online: http://www.india-seminar.com/2003/525/525%20interview.htm.

The Host was in effect landing at the heart of the crumbling world of *pure celluloid* and the business practices that characterize it: there is no chance here of any sources of revenue but ticket sales, no product tie-ins, no promotions on satellite television either. In this domain, unpolluted by corporate capital and logic, films are traded like perishable commodities and change a number of hands before they reach the consumer. They are *adulterated* (or rather spiked) with spliced footage from other films and shown in run down cinema halls that cannot afford the big-budget Indian or Hollywood films.

Our project was modest and focussed on the run up to the release of the film's versions in the state of Andhra Pradesh to understand the ways in which these versions circulate in India as a whole. Andhra Pradesh was the 'test' focus of this study (1) because the state is the largest market for celluloid films in general and imported film in particular in India. The state has had a decade-long history of non-Indian films circulating in English as well as Telugu and Hindi versions, and (2) because previous studies of the film industry in India that have been primarily Mumbai-based have often tended to ignore the specificities of major local markets elsewhere, and therefore tended to have limited usefulness to understand the lower rungs of the distribution and exhibition sectors in India. We followed *The Host* in the local distribution and exhibition sectors. Simultaneously, we tracked the major developments that were occurring at the macro level in the film industry in Andhra Pradesh to ascertain where a non-Hollywood film might fit in the present context.

Methodology:

The project had two converging concerns. The first was to track *The Host* from the trade preview of the film through its theatrical release in Andhra Pradesh. This meant the collection and analysis of its publicity material, interactions with the film's distributors to gather information on the terms of trade as well as the box-office taking of the film. We followed closely the advertisements of the film put out by distributors of the film in Telugu language newspapers, which is the most important method adopted by local film trade circles to publicise a new film among distribution and exhibition networks. Detailed questionnaires were prepared to serve as the basis of structured interviews of the distributors of the film. The objective of our interactions with the industry players involved in the distribution of *The Host* was to analyse the exact nature of the localisation that the film underwent in Andhra Pradesh and what implications this might have for the economic worth of the film in the local market.

The second concern was to make an up-to-date assessment of the state of the film industry in Andhra Pradesh in general. The elaboration of this concern was meant to provide a background of the industrial setting into which *The Host* entered. Interviews were carried out with representatives of key players in the film industry but also the larger cultural industry of which the cinema was increasingly becoming a part. In the process, we tried to ascertain from industry representatives themselves their understanding of the important developments in culture industries as a whole. A key focus was to understand how cultural imports might grapple with the critical issues and crises confronting the local industry and its markets.

The three researchers involved in the project interviewed respondents located in 4 different sites: Hyderabad, Vijayawada and Proddutur in Andhra Pradesh and Chennai. While the first two are major centres for the film industry in Andhra Pradesh, Proddutur was one of the towns where *The Host* was exhibited. Chennai is the location of the importer of the film.

Section 1: What Happened to *The Host*

Recent developments related to the film industry in Andhra Pradesh have direct consequences for imported films in general and also impacted the career of *The Host*.

- There has been an overall shrinkage in size of the theatrical market for imported films, as has been pointed out by the industry representative we met, alerting us to the real possibility of low financial returns from the Indian market.
- The traditional exhibition sector, as distinct from the multiplex, has shrunk by 20-30% in the past 15 years. As a result there are far fewer single-screens cinema halls today than 20 years ago.
- Unlike in the past, distribution and exhibition are increasingly centralised. Distribution sector has witnessed the entry of large companies, corporate as well as privately held ones, which are capable of distributing films across the state (and the entire country too). These companies have also acquired the control of hundreds of cinema halls across the state, resulting in an unprecedented degree of centralisation of both distribution and exhibition. The major players in Andhra Pradesh include the closely held companies belonging to the extended family of D. Ramanaidu (producer, distributors, exhibitor and studio owner) and Mayuri Film Distributors (owned by the family of the media magnate Ch. Ramoji Rao). More recently, the public limited entertainment companies Pyramid Saimira Theatre Limited[3] and Adlabs too have between them gained control of hundreds of screens across the state.
- A vast majority of cinema halls that are not already part of one or another company's plan are ill equipped, run-down and poorly attended. Such cinema halls are being fed by small 'independent' distributors including distributors of imported films.
- Any imported film which does not enter Andhra Pradesh through one or another major distribution-exhibition chain is likely to be picked up by for distribution to feed the bottom rung of the exhibition sector. <u>The fate of such films, regardless of place of origin, aesthetic quality and genre is unlikely to be different from that of *The Host*.</u>
- Multiplexes are not yet a significant presence in the state. However, a number of them are under construction or have been proposed. Soon all the major national-level companies will have a presence in the state. The ability of the distributors of imported films to access multiplexes, whose rentals are prohibitively expensive, remains to be seen.

[3] The company's website that this is the largest theatre chain company operating in India and controls 655 screens including 44 multiplexes across the country (http://www.pstl.in/index_1.html, visited on 24th April 2008)

We examine below the economic and cultural implications of an imported film's circulation among the networks of the small distributors of the B circuit. The most striking aspect of this mode distribution is its complexity.

According to Ganesh, the Manager of the Chennai office of Indo Overseas Films (Telephonic interview, 23rd April 2008), the film had an 'average' run in the rest of India. This needs to be read as implying that the film recovered its costs. The film was sold to various distributors at the national level. Ashtalakshmi Pictures, a distributor who has offices in Delhi and Bombay, released the film in Northern and Western India. Scorpion Film released the film in Tamil Nadu. In Karnataka, Indo Overseas Films released the film through a Bangalore based distributor. We examine in detail the distribution of the film in Andhra Pradesh.

Indo Overseas' strategy was to launch a high visibility publicity campaign, underwritten by Korean corporate giants operating in India, to mark the official arrival of Korean cinema in India. In theory, this was a brilliant strategy because it sought to offset the twin disadvantage of independent distribution, with the implication that most desirable theatres would not be accessible to the film, as well as introducing the product of an *unfamiliar* industry with the help of *familiar brands*, framing the former as an extension of the latter. The film trade, as we shall see below, had no idea that Korea had a thriving film industry. Furthermore, Indo Overseas sought to upscale the product through a corporate funded publicity campaign, *knowing fully well that the film would not recover this cost through its box-office collections*. However, Korean corporations approached by importer refused to be part of the campaign. Had the Indo Overseas Films strategy worked, *The Host* could well have been positioned very differently in the Indian market and is likely to have had a release in the 'Class A' cinemas at least in some of the major cities. As it turned out, the film remained outside this segment of exhibition in Andhra Pradesh.

Contrary to the initial announcements, there was no grand all-India release of the film either in May 2007 or in the months to come. According to Ganesh of Indo Overseas Films, the film's release was postponed due to the non-availability of cinema halls, which had been block-booked for a series of major summer releases, including the Rajnikant starrer *Sivaji* (Shanker, 2007). This however is not the only reason for the delay in the release of the film. The pre-release history of the film offers valuable insights into the way in which distribution networks function in Andhra Pradesh.

The state of Andhra Pradesh consists of three major distribution territories. Andhra, Ceded or Rayalaseema and Nizam/Naijam. The first two territories coincide with geographical regions within the state of Andhra Pradesh (Coastal Andhra and Rayalaseema regions), Naijam, the Telugu name for what was in the colonial period the Nizam's Dominions, is also known as the Hyderabad Film Circuit and covers the Telangana region of Andhra Pradesh but also the Marathwada region of Maharashtra and the Hyderabad Karnataka region of Karnataka state. Typically, the importer (in this instance Indo Overseas Films) who hopes to tap the market in this part of the country looks out for a single distributor, known locally as *buyer* who makes an outright purchase of all the three territories. It is very unusual for an Indian importer to attempt a direct nation-wide release of a film. The usual practice is to find distributors for each of the major distribution territories at the national level. Of late, it is becoming increasingly uncommon even for Hollywood majors to attempt nation-wide releases because they simply don't have the network to cover the thousands of cinema halls spread across the country.

With specific reference to Andhra Pradesh the distributor who purchases the rights from an importer may choose to release the film directly or, as is more often the case, find smaller distributors, who bid separately for each of the *eight sub-territories* that the three major territories are divided by the film industry. The sub-territories are referred to as *districts* or *areas*.

Timeline

On 29th July 2007, the first set of advertisements of *The Host* appeared in Telugu newspapers. Issued by G. Mohan Rao of Vishnupriya Enterprises, Chennai, the advertisement, like most other newspaper advertisements for imported and Telugu dubbed versions of non-Telugu films was aimed as much at the viewing public as distributors. It stated, 'For areas contact….' indicating that Vishnupriya Enterprises was on the lookout for 'buyers' to bid for each of the nine 'areas'. A preview of the film was organized in Hyderabad on 17th August 2007 (*Andhra Jyothi*, 15th August 2008). Later in this month the Telugu press carried out news items, based on press handouts of the distributor, that the film was ready for release.

A member of our team attended the preview of the Telugu version of the film and found that almost everyone who watched the film thought highly of it. The quality of dubbing too was praised. In the next couple of months appreciative reviews of the film, written by one of our researchers and other presspersons who had seen the preview, appeared in the Telugu press. Notably, reviews are a sign of the film's distinction because the Telugu press does not often review imported films. Nevertheless, nothing more was heard of the film for some months.

We learnt that Vishnupriya Enterprises sought to make an outright purchase of the film from the importer and even paid an advance to Indo Overseas Films. According one source the price agreed upon was 2.5 million rupees. Like most deals in the film business, this one too was struck in anticipation of the next set of transactions during which the film would be sold area-wise to smaller distributors and the cash advances collected from them transferred to the importer. The appreciative response to the preview notwithstanding, the film could not be released because area-level distributors did not come forward to buy the film. Industry representatives we spoke to cite the high price at which the film was offered to area-wise distributors Vishnupriya as the reason why the generally appreciative distributors did not initially pick it up. After a month or so of trying, *Vishnupriya Enterprises forfeited the advance and returned the film to the importer.*

A second preview of the Telugu version of the film, this time to be in Chennai on 9th December 2007, was announced (*Andhra Jyothi* 7th December 2007). After the December 9th preview, it appears that a deal was struck with three distributors.[4] It took a while before distributors were found for the other six territories and the release of the film, which was now due on December 28th, was postponed for one more week. The film was eventually released on January 4th, 2008, some four months after it was released in some other parts of India (including Karnataka). *Within days of its theatrical release distributors of the film declared that the film was a commercial disaster*.

Making *The Host* Telugu

The major thrust of Vishnupriya Enterprises' publicity handouts was to highlight the film's *distinctiveness* and differentiate it from Hollywood creature films. The press kit issued by the distributor, which contained a lot of material compiled by Indo Overseas Films, had English language reviews and other write-ups of the film gathered from various sources and included reviews of the film downloaded from the internet and also, interestingly, photocopies of articles published in the *Korean Film Observatory* and InKo Centre's *Focus*. Hollywood was a constant referent in the texts assembled for the press but not necessarily as a model. The English language poster of the film that was bundled in the kit states the visual effects are 'by the creators or '*Superman Returns*….' Simultaneously, there was also a conscious effort to distance the film from Hollywood productions, which might draw comparison (other creature films, for example). The press kit foregrounded the commercial success of the film in Korea and also the critical appreciation of the film internationally. It also contained two Telugu language flyers: a synopsis of the film and a write-up on the distinctiveness of the film. Both appear to be translations of material originally produced in English, possibly by Indo Overseas Films. The latter document introduces the earlier work of the director, lists the awards won by this film, etc. It also contrasts *The Host* with Hollywood films like *Godzilla*. We are told in one of the handouts that *The Host* revolves around ordinary workers and middle class folk and their problems while *Godzilla* (Roland Emmerich, 1998) and other Hollywood productions are woven around scientists, army officials and political leaders (all presumably extra-ordinary people, unrelated to the common man). The same flyer also states that this film would be of great interest to Indian audiences, aesthetically and *politically*. The film's director, it is argued, is as talented as Mani Rathnam and Shanker (south Indian directors whose work is known across the country). The film not only contains thrilling scenes featuring the monster but is in fact meant for *family audiences* (an extremely important audience category for the Indian film industry which is presumed to prefer 'clean' films without sex and violence). Indeed it contains the right kind of '*sentiment*' (implying melodramatic sequences resulting from hardships that befall loved ones) for such audiences. Politically, we are told, it exposes the domination of powerful countries over smaller/weaker countries.

The one liberty that the Telugu advertisements of the film by Vishnupriya Enterprises took, and thereby departed from the thrust of the press-kit materials, was to insert the line (in English): 'It's Steven Spielberg's *Jaws* via *Jurassic Park*' and the Telugu phrase,

[4] Assessment based on list of areas available according to the advertisement in *Andhra Jyothi*, 19th December 2007.

'Papam Pasidi' (pitiable/poor little girl). The name of the film appeared in both English and Telugu as *The Host* and *Host* respectively. The original design of the English posters, revealing only the monster's tail and no other part its body, was retained. Much was to change by the time the second preview of the film was announced.

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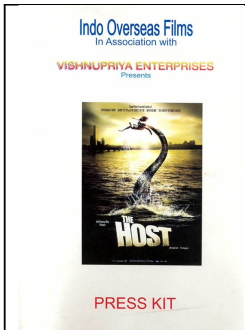
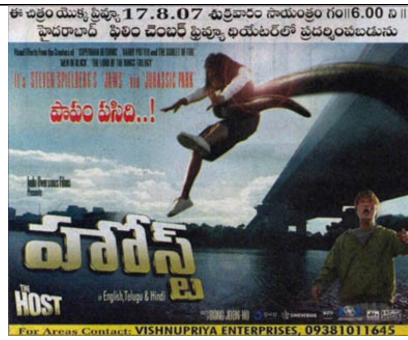
<td>

Press Kit issued by Vishnupriya Enterprises (August 2007)</td>
<td>

Vishnupriya Enterprises' advertisement for the first Telugu preview of the film (*Andhra Jyothi*, 15th August)</td>
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Announcement that the film would be released on December 28th (*Andhra Jyothi*, 19th August 2007) The actual release was a week later.</td>
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<tr>
<td colspan="3">The erasure of distinction: The evolution of *The Host* into *Bhetala Samudramlo Vichitra Jantuvu* ('Strange Creature in the Ghostly Sea').</td>
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Advertisements announcing the second preview only gave the cell phone number of the new distributor and but did not reveal his name. We leant later that R.K. Bhagawan, an experienced distributor of Telugu versions of imported films, had acquired the film from Indo Overseas Films for the reduced price of 1.5 million rupees.[5] Bhagawan worked closely with Indo Overseas Films in the past, having distributed their films in Andhra Pradesh. The December 2007 advertisements of *The Host* were characteristic of the modes of publicity adopted by Bhagawan and other distributors of imported films from the late 1990s.[6] In this genre of film advertising, premium is given to repositioning the import in and for the B circuit of the local market no matter what its content or place of origin. This is achieved by taking considerable liberties with the original and transforming it to fit into available frames of intelligibility. *In the case of The Host, the film it was effectively transformed into a low-end Hollywood style creature film.* All attempts that the film itself makes to underscore its own distinction vis-à-vis imitation Hollywood films were totally lost in the process.

The film now had a Telugu title: *Bhetala Samudramlo Vichitra Jantuvu* (which translates as 'Strange Creature in the Ghostly Sea'). As pointed out above, the initial publicity of the film refrained from close-ups of the creature and was faithful to the original publicity designs from Korea. From December 2007 the iconic image of the monster's tail in the original designs was replaced by a composite image crammed with people and objects, varying from boats to cars. In one set of advertisements the monster could be seen

[5] This figure too seems high, going by the feedback of the area-wise distributors but we have worked with this figure because an industry insider who also distributed the film in one of the areas provided it.
[6] The business model and modes of publicity of this distribution segment has been analysed in Srinivas 2003, cited above.

holding a speedboat with its claws. The details thus promised a variety of thrills associated with the creature film. Most importantly, unlike the original publicity design, the monster was now shown in considerable detail and occupied close to a third of the frame.

No doubt the film had been effectively transformed into a B film, making precisely the kind obvious comparisons to *Godzilla* and *King Kong* (Peter Jackson, 2005) that Vishnupriya Enterprises had made considerable efforts to avoid.

While the reduced price was an important reason, we would like to draw attention to the other reason, perhaps equally important, for the film's theatrical release. We would like to suggest that such a re-positioning of the film *worked* in that it was picked up by distributors and had a theatrical release. It is not of immediate relevance to us that it fared poorly at the local box-office. What is of relevance are the kind of linkages that exist between economic and non-economic factors determining the film's eventual release and local reception.

Analysis

We focus in this section on two related issues. The first is what it became in the course of its local theatrical release and secondly its (limited) reach and box-office failure.

Firstly, *the transformation of The Host into an imitation Hollywood film* was an integral part of its preparation for the B circuit. Two decades ago, films entered the B circuit after completing their life in the well-run cinema halls of urban centres. This was especially the case with imported films, which till the mid-1990s were either originally produced in English or were dubbed into English. Most major Hong Kong action films, including those featuring Hong Kong superstars Jackie Chan and Jet Li, began their life in first run cinema halls of major cities and gradually travelled into the small towns and also the lesser cinema halls in cities. *From the mid-1990s, in spite of some spectacular hits like Jurassic Park* (Dir. Steven Spielberg)*, first run cinema halls became increasingly unavailable for the exhibition of imported films*, sourced from Hollywood and elsewhere, because they no longer had the market to sustain the hugely increased costs of exhibition. Dubbing films into Indian languages was a strategy adopted by importers to reach out the lower segments of the exhibition sector. It made economic sense to do so but in the process it became virtually impossible to release imported films in the English language.

Owing to this history, there was no way that *The Host* could have had a major theatrical release in the English version in single screen cinemas, unless of course the Indo Overseas' plan for a Samsung or LG sponsored publicity campaign succeeded. English releases were now mostly confined to a few exclusive single screen cinemas in major cities or the expensive multiplexes. The strategy adopted by R.K. Bhagawan was therefore based on sound knowledge of the film market. As a matter of fact, a large variety of films—cutting across genre and nationality and also including art house productions from across the world—are marketed as variants of one or another familiar genre. The creature film has been one of the most successful genres in the B circuit, along with sex and action films. As M. Ramesh, the Krishna district distributor of *The Host* said, well made action or creature film, with some sex, did well in Andhra Pradesh and this trend would continue for some time to come. In such an environment, it certainly didn't make sense to hide the creature in the advertisements. *The only hope The Host had was to become a Hollywood B film*. It could then circulate like other imported films.

As a consequence, the distinction of *The Host* in particular and any possibility of showcasing the Korean film industry were completely lost on the local distributors. Three of the distributors we met were unaware of the origins of this film and thought it was a 'Chinese' film, by which they meant Hong Kong production. The reason why they invoked even the category of the so-called Chinese film was to make a distinction from Hollywood. Paradoxically therefore, the film did not make any headway in laying the groundwork for positioning future products of the Korean industry as distinctive. *So as a 'brand ambassador' for the Korean industry, The Host proved to be inadequate. This was not for the want of effort on the part of the importer so much as the uselessness of such branding for the B circuit into which it entered.*

While Mohan Rao of Vishnupriya Enterprises was both interested and happy with the coverage received by the film, it certainly didn't help him sell the film to other distributors. The film had such a short release that it is not possible even to pose the question of whether or not viewers were aware of reviews of the film, which had in any case appeared some months prior to the release. However, the positive aspect of the press coverage of the film is that it drew attention, for the first time, to the existence of the Korean industry.

Secondly, *the limited reach of the film*. Box-office performance apart, the theatrical release of *The Host* ensured that the film was limited to the lowest paying segment of the film market. Not a single English newspaper reviewed the film because the English version was not even released in Andhra Pradesh. The situation may not have been very different even if the film was a box-office success in the B circuit. *The very channels of the film's release ensured that it would remain more or less outside the cinema halls catering to better paying customers*.

The *box-office failure of the film offers valuable lessons* in the economics of the B circuit.

- The film was a commercial disaster and every one of the four area-wise distributors we spoke to lost money, which is to say they didn't recover their costs. These included distributors for Rayalaseema, Nizam, two coastal Andhra districts, Marathwada, who also had the rights for the Hindi version of the film.
- The English version of the film was not released at all.
- Only one cinema hall in Warangal screened the film in the entire Telangana region. The film did so poorly there that the distributor decided against screening the film in the state capital Hyderabad.
- To cut costs one of distributors had bought prints of the Tamil version of the film, which had already going through a first run and were therefore available cheaply. During the screening he used the Telugu DVD of the soundtrack to replace the original soundtrack of the print. This is apparently routinely done by distributors of

imported films to save on the cost of purchasing Telugu language prints, which have to be ordered from the lab.

What do these losses translate into?

We have learnt that the four distributors we met paid between 200,000 to 400,000 Rs per area for the film. The amounts paid by individual distributors are as follows:

- Sri Saiappa Film Distributors (Nizam): Rs. 300,000,
- New Everest Film Distributors (Marathwada region & rights of the Hindi version for AP): Rs. 200,000,
- Sri Shakti Pictures (Krishna and West Godavari): Rs. 600,000,
- Sri Suryasai Film (Rayalaseema): Rs. 450,000.[7]

In December 2007, when one of the project researchers contacted R.K. Bhagawan and asked him for the price of the rights for the whole of Andhra (i.e. all the Coastal Andhra districts, which is usually sold as six different areas) were worth, he was told that they were available for Rs. 800,000 and the figure was negotiable. Going by the telephone conversation as well as the figures that distributors reportedly paid, <u>the entire business of the film for Andhra Pradesh and Marathwada, at the distributor level, is unlikely to have crossed 2 million rupees</u>. During the week of the film's eventual release, two of the areas were still 'open' (which is to say that the Chennai based distributor did not find buyers).

	
Ravi Kumar, Manager, Sri Saiappa Film Distributors. Lobby cards of Telugu versions of *Tube* and *The Host* in the background.	Sri Saiappa's film collection: Low budget Telugu films and imported films from across the world.

[7] Reported figure. The actual figure was apparently as little as 200,000 but we have stayed with the on-record statements of our respondents.

Distributors listed a number of reasons for the failure of the film.

- Ravi Kumar, the manager of Sri Saiappa Film Distributors was vehement in his assertion that ‘the film had nothing.’ Suggesting that it lacked all the ingredients that would make a film interesting or help it at the box-office. The other distributors did not attribute the performance of the film’s poor quality.
- Three of the distributors, M. Ramesh of Sri Shakti Pictures, Sayyed Akram of New Everest Film Distributors and Obul Reddy of Sri Suryasai Films thought that the most important reason for the poor performance of the film at the box-office was the absence of advertisements for the film in Telugu/Hindi language television channels. This ensured that most regular filmgoers did not know the film’s highlights. Ravi Kumar thought even an advertisement campaign on television would not have helped.
- M. Ramesh pointed out that television advertisement for Telugu dubbed versions of imported films was discontinued around the time of the film’s release due to pressure from producers of Telugu films on television channels. This was one of the many measures undertaken by Telugu film producers to curb the growth of the market for imported film.
- Sayyed Akram and Obul Reddy opined that non-Hollywood creature films were not well received in the local market. They also thought that it was only action films from ‘China’ that did well.

The observations of distributions and information provided by them needs to be examined in the context of the larger market for imported films.

Section 2: The Market for Imported Films

The size of the market for non-Indian productions, including imported films released in dubbed into Telugu/Hindi, was estimated by industry representatives to be between 3-12% of the state’s film market (see Appendix 1). According all the distributors we met, the market for English language versions of imported films is more or less restricted to the few multiplex screens currently available in the state. However, there has been an increase in the viewership for imported films because of dubbing into Indian languages although the amount collected by such films continues to be modest.

With specific reference to *The Host*, Andhra Pradesh the biggest film market in India was sold by the importer for 1.5 million and the main distributor 2 million rupees (if not less). Korean film industry is unlikely to see substantial returns by restricting itself to this segment of the market. Not even if its products were to perform better than all other imported film released in the recent past. This becomes clear from the observations made by distributors on the economic worth of imported films.

According to the Ravi Kumar of Sri Saiappa Film Distributors, their company’s biggest commercial success in the recent years was the Jackie Chan starrer *The Myth* (Stanley Tong, 2005). It collected 5 million rupees at the box office in Telangana. He estimates that the major hits in Telugu collect about 60 million in the same territory. But 5 million is an exceptionally high figure, the upper limit of what the local area distributor could hope to collect.

The size of the market is strikingly small. K. Obul Reddy the Rayalaseema distributor of the film, who was interviewed before and after the release the film, stated that he expected to release 6 prints of the Telugu version of the film and hoped to make a profit of between Rs. 100,000 to Rs. 200,000. He estimated that the gross box-office collection of imported film in his territory could be between 5 to 10 million rupees. Ten distributors of the region distributed imported films (among other kinds of films). He managed to release *The Host* in one theatre in early January and was sure that he could not recover his costs. But his business model was founded on a 75% success rate and his ownership of a cinema hall, where he released his films. The low rates at which he bought his films ensured that he has never lost more than Rs. 500,000 for any single film.

Distribution in this sector of the market is in fact premised on low investments and therefore small losses. M. Ramesh of Sri Shakti Pictures has been elected to the Andhra Pradesh Film Chamber of Commerce in various capacities in the past and is reputed to have in-depth knowledge of the film industry in the state. He estimates that imported films whose state-wide rights are purchased for 4 million rupees or more do not have a chance of breaking even. For him 90,000 US$ (3.6 million rupees) is the upper limit that a state-wide distributor should pay for an imported film—even if it is a top of the line Hollywood film. So except when there is a hugely speculative investment, as is often enough the case with film distribution when new players enter the scene, 100,000 US$ is about the best price that an importer or Hollywood major can expect for the state of Andhra Pradesh. Ramesh predicted, even as the first day, first show of *Rambo IV* was to commence, that this film too was unlikely to break even. The film's Andhra Pradesh rights were bought for 3.5 million rupees, he pointed out, but the distributor could not find area-wise distributors for some of the territories and had decide to release the film directly there.

Hollywood Mode

Since the turn of the century, Hollywood majors began to open their distribution offices in Andhra Pradesh either directly or in collaboration with local distribution networks. Two of the respondents, M. Ramesh and D. Suresh (the son of D. Ramanaidu and himself a key player in the production and distribution) made interesting observations on the mode of operation and strategies adopted by Hollywood distribution companies.

M. Ramesh was of the opinion that saturation release of Hollywood films came at a high 'print and publicity' cost, which was not taken into consideration in reports on their Indian box-office collections. *Casino Royale* (Dir. Martin Campbell, 2006), which was reportedly released in 500 cinema halls across India, was the biggest box-office disaster among imported films in recent times as far as distributors were concerned, says Ramesh. By this implied that distributors made losses because the price they paid for the film did not match its box-office collection, whose gross figures may have appeared impressive. He went to the extent of claiming that even films like *Spiderman 2*, which were reported to have bettered big budget Hindi films at the box-office, did not bring in any money to local distributors. Whether or not this is accurate, this claim reflects the perception of the local industry on the market for imported films.

D. Suresh, whose Suresh Film Distributors distributed Columbia's films in Andhra Pradesh in the early part of this decade, stated that *partnering a Hollywood major was simply not worth the effort that went into it*. His company is among the few that has an office in every distribution territory of the state, a factor that no doubt went in their favour when Columbia was scouting for collaborators.

Both Ramesh and Suresh were of the opinion that Hollywood companies' strategies had more to do with future expansion plans rather than immediate profits in the Indian market. Suresh pointed out that Hollywood companies asked a great deal of information about the way business was conducted, quite clearly with a view to making an independent foray into the market some time in the future.

<u>'Unofficial' Korean Films and Strategies for distribution</u>

As it turned out 2007 was indeed a watershed year for Korean cinema in India. There was an 'unofficial' release of three Korean films other than *The Host*. By unofficial we only refer to the fact that these films, unlike *The Host*, were not promoted as *Korean* film. As a matter of fact there was no attempt to resist their slotting as familiar genre films or one or another kind. We would like to compare the distribution strategies adopted by these three films released in 2007-2008 to make some general observation on the way the film industry operates in India.

On 29th January 2007, some months before the first reports on the Indian release of *The Host* began to circulate, there was an advertisement for a film whose Telugu title was *Action Veerudu 117* ('Action Hero 117'). It was stated to be 'from the producer of *Enter the New Dragon 3*' (local title of an unidentified imported film, possibly from Thailand, which has been the source of a series of films which are renamed as episodes of *New Dragon* and *Real Dragon*). The release date announced was February 3rd (*Andhra Jyothi*, 29th January 2007). We discovered that this film was of Korean origin and its English version was titled *Tube* (Dir. Baek Woon-hak, 2003). It was a big-budget production that had a poor box-office record in its home market. We also found that the nameless Chennai distributor who issued the advertisement was none other than R.K. Bhagawan, who went on to distribute *The Host*. In terms of their career in the B circuit, there is virtually no difference between *Tube* and *The Host*. Coincidentally, Sri Saiappa Film Distributors also distributed *Action Veerudu 117*. One may have made more money while the other received greater press coverage but by early 2008, nothing remained of both these films but posters on the walls of distributors.

Not so *Arahan* (*Arahan Jangpung* Daejakjeon, Dir. Seung-wan Ryoo, 2004), which had two incarnations. Its theatrical release in Andhra Pradesh occurred in September 2007 with the film's Telugu version titled *Kung fu Veerulu* ('Kung fu Heroes'). Remarkably for a non-Hollywood imported film, the Telugu version was actually released simultaneously in at least six single screen, air-conditioned cinema halls and some nonair-conditioned ones across the state (*Andhra Jyothi*, 12th September 2007). This was no doubt the kind of release envisaged for *The Host*. Interestingly, *the theatrical release in Andhra Pradesh came at least a year after Arahan's English version began to be screened on the Indian satellite television channels*. Remarkable about the English version was that it was dubbed into *Indian English*, setting a new trend in localising the English versions of imported film. In 2008, its Hindi version too was shown on television. Further, the English version of the film became available in the VCD/DVD formats in 2007 itself. As with the rest of the world, there can be no doubt that multiple languages and formats (celluloid, televisual and VCD/DVD) ensure a far wider audience than could be hoped for an exclusively or primarily theatrical release. The one segment that *Arahan* did not make an appearance in is the multiplex. But another Korean film crossed even this hurdle soon enough.

In late August 2007, even as Vishnupriya Enterprises was scouting for distributors, Telugu newspapers published an advertisement—obviously aimed at the film trade—of *D-War* (*Andhra Jyothi*, 30th August 2007). The advertisement for this hugely successful Korean film, directed by Hyung-rae Shim (2007) was issued by Lakshmi Ganapathi Films, which had in the past five years emerged as the most important distributor of imported films in Andhra Pradesh. Nothing else was heard of about this film for over six months. In this period Lakshmi Ganapathi Films could not be contacted and there were rumours in the film trade that the company was not in good financial health. We learnt that Indo Overseas Films had imported this film too and its international box-office success enabled them to involve the new corporate player in distribution and exhibition, Pyramid Saimira, which bought the rights of the film for some states/territories. In late March 2008 *D-War* had a high profile release in Karnataka through Pyramid Saimira, in multiplexes as well as single screen cinemas. In Andhra Pradesh, a new entity, Sri Lakshmi Narayana Films announced that it would release the film in Telugu in late April even as the English version was screened in the multiplexes and Class A cinemas of the state in early April. Sri Lakshmi Narayana Films, it turns out, is a new company floated by the owners of Sri Lakshmi Ganapathi Films. The delay in the release of the film was due to the delayed arrival of the negative of the film, which was in turn cause by the huge demand for the film in other parts of the world. Indo Overseas Film was not one of the film's major international distributors so the company had to wait as the negatiev travelled down the international distribution chain. From late March there have been advertisements for the film in the Telugu press. Moreover, television advertisements of the film began to be aired in English, Hindi, Telugu and Tamil some weeks before the release of the film. This too is a creature film and the print as well as television advertisements did little more than drawing attention to the spectacular dragons of the film.

Between them, the four Korean films we came across in the course of our research explored a range of distribution strategies. There can be little doubt that the movement of *Arahan* and *D-War* into television and multiplexes respectively gave them greater visibility and larger audiences than *Tube* and *The Host*. But then we return to the problem with which we began: in the Indian context, high visibility does not necessarily translate into greater economic value. Indeed a whole new area of cultural visibility, outside the purview of the film industry but foregrounding a similar problem of the non-translation of cultural value into economic worth has emerged in the recent past. This is the shadowy world of optical disc piracy. Video stores of Indian metros now offer a number of popular Korean film titles on VCD/DVD formats—all pirated of course—that will either take many years to reach Indian screens or never make it to the screen at all. Is it possible that in the digital era, as in the age of celluloid, the life of Korean cultural products in India will be indifferent to their profitability to the production centre? Can there be a cultural policy for markets, which are economically worthless? We hope future research by scholars in India and Korea will have more to say about the Korean Wave's Indian encounter and its implications for culture industries in these countries and elsewhere.

Appendix 1

Overview of the Film Industry in Andhra Pradesh

This section is based on estimates provided by various sources. From the figures returned by our sources it becomes clear that authoritative and accurate information is difficult to come by. This is largely due to the prevailing industrial practices, which don't seem to require the kind of data and analysis that corporate entities would consider necessary.

Box-Office Collections in Andhra Pradesh

D. Suresh Babu (Producer, Distributor, Exhibitor, Studio Owner)
Worth of the film business in Andhra Pradesh: Rs. 10 billion

M. Ramesh (Distributor, Former Secretary, Andhra Pradesh Film Chamber of Commerce):
--Gross annual collections: Rs. 2 billion
--Collections of an average Telugu hit (including non-theatrical revenue): Rs. 150 million
--Highest collections for a single Telugu film (including non-theatrical revenue): Rs. 250 million

G. Vishwanath (Distributor, Exhibitor, Former President, Andhra Pradesh Film Chamber of Commerce):
Gross annual collections: Rs. 625 million (250 releases @ 2.5 million per film)

Motifs Media: Box office gross in 2006: Rs. 120 million, 700 million tickets sold in 2005 (www.motifsmedia.com).

Pyramid Saimira: Size of the Indian Entertainment and Media industry: Rs. 353 billion (http://www.pstl.in/industry.html).

Exhibition: Cinema Halls

Government of Andhra Pradesh, Home Department: 2378 cinema halls

M. Ramesh: 3,500 cinema halls

G. Vishwanath (Distributor, Exhibitor, Former President, Andhra Pradesh Film Chamber of Commerce): 2500 to 3000, including closed cinema halls.

D. Suresh Babu (Producer, Distributor, Exhibitor, Studio Owner): 2000 to 2500 functioning cinema halls.

Number of cinema halls that meet fire safety regulations of the state government: 1441

R. Gopal (Former Secretary, Telangana Distributors' Association): 850 cinema halls in Telangana region; 150 in and around the state capital Hyderabad.

Distribution Network

Distribution Areas where Telugu films are distributed:
1. Andhra Pradesh:
Nizam (state capital & the rest of Telangana), Ceded (Rayalaseema), Vizag (Visakhapatnam and North Coastal Andhra), East Godavari, West Godavari, Krishna, Guntur and Nellore.
2. Other Places:
Overseas, Karnataka and Orissa.

R. Gopal: Between 100-150 active distribution offices in Hyderabad catering to the Telangana region. Only one company, Mayuri Film Distributors, has offices in all the districts of the region.

Region-Wise Break Up of Revenue

R. Gopal:
Andhra region: 50%, Rayalaseema/Ceded: 15%, Telangana: 35%

M. Ramesh:
1: Within Andhra Pradesh
Andhra: 50%, Rayalaseema/Ceded 10%, Telangana 40%
2. Other Territories:
Overseas: 5% (of the collections in Andhra Pradesh), Karnataka: 10%, Orissa and others: 2-3%

Revenue of Imported and other Dubbed Films

M. Ramesh: 3-4% of gross collections (all over India). All India collections stand at around Rs. 20-30 million. Biggest box-office failure among imported films: *Casino Royale* (released with 500 prints in 4 languages).

G. Vishwanath: 35% of the box office collections in Andhra Pradesh, for films dubbed from English and Indian languages.

D. Suresh Babu: 12% of the collections in Andhra Pradesh for film imported films in any language

R. Gopal: 20% of the collections in Telangana region are from imported films

Sayyed Akram (Distributor): 10% of the total box-office revenue in Andhra Pradesh is from imported films

Ravi Kumar (Manager, Saiappa Film Distributors): Box office collections of a top grade imported film in Telangana: Rs. 5 million.

Cable Television and Video
(Compiled by the Anti Video Piracy Cell, Andhra Pradesh Film Chamber of Commerce)

Number of Video Shops in the state: 4111 (2007)

Number of Cable Television Operators: 9614 (2007)

Total cases booked against pirates from May 2005-January 2008: 4739

Number of people arrested in cases related to piracy: 4857

Estimated worth of optical disc piracy in Andhra Pradesh: Unknown