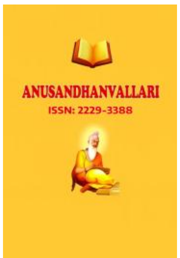

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Film Business and Marketing in the Post Covid Era

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Abstract: It's been more than 3 years since COVID-19 changed almost all aspects of the film business. Right from the fabric of how the business is performed to the medium on which the whole industry relies. COVID-19 was a vital catalyst for the early and widespread adoption of the New Media called OTT (Over-The-Top). The new technology provided new Revenue Models and multiple alternatives for carrying on the film business. A few of the major Explicit Costs borne by the Producers were eradicated. Technology allowed the OTT platforms to target prospective consumers and changed the way Films were marketed. All these changes, though drastic, are permanent and only a few among the many. Therefore, we can expect further changes in the Scope and Aspects of the film business.

Keywords: Film Business, COVID-19, OTT platform, Minimum Guarantee (MG), Revenue models, Technology

Introduction

Global Health Emergency, COVID-19, was declared over by the World Health Organisation (WHO) on 5th May, 2023. All the alerts were lifted, and slowly people were back to their normal lives. COVID-19 was a major game changer for all industries, either in a positive or negative manner. And the film business, already being dynamic and volatile, changed rapidly because of this pandemic and hasn't stopped yet. This study aims to track the changes in the scope and aspects of the film business to date and to predict its destination, only with regard to the impacts of the COVID-19 pandemic.

Review of Literature

Jason E.Squire's The Movie Business Book (2016) explains the overview of the film industry's business structure by analysing the process of a film from development and financing to distribution and revenue generation. This book clarifies the relationship between commercial considerations from the producer's view and creative decision-making from the director's perspective. It further highlights the production, marketing and distribution strategies and how they influence the success of a film. Vakkalary and Aravaboomi (2026) The author further examines the traditional business models and digital technologies, especially the shift to data-driven audience engagement through targeted digital marketing. This book gives a high-value framework to understand contemporary film economics of the regional film industry, like Tamil Cinema, by explaining the connections between investment, distribution, promotion and Return on Investment.

Cinema Vyaabaram I & II (Cinema Business I & II) (2015) - Author Cable Shankar gave a practical overview about business routine of the Tamil Film Industry. The author drew an explanation about the key aspects of Film production, distribution, exhibition and revenue generation in a clear and accessible manner. Kumar and Dsilva (2025) This book provides strong insights into trade practices, distribution models, marketing strategies, and the financial realities that influence a film's success. This book is written more from the point of view of a practitioner than a theoretical one. This work facilitates us with an important resource to understand the commercial dynamics of the Tamil film industry. R. (2025) It further offers useful content for research on film business and marketing in regional film industries.

Jeffrey C.Ulin's book, The Business of Media Distribution (2013), critically examines the functions of film distribution and how it works as a key driver for creating value in the media industry. The author adds that the

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effective distribution of film across different platforms and release windows joins hands with the production values for making the film a grand success. Digital technologies go hand-in-hand with traditional distribution models for exhibiting the movies. On the digital front, they face challenges in streaming services, video-on-demand and changing audience consumption patterns and preferences. This book throws light on the balance between theatrical exclusivity and digital accessibility. Ramdiya and Singh (2026) The digital accessibility emphasises the economic consequences of release strategy. The Return on Investment is well explained by distinguishing between industry-level business relationships and audience-focused marketing activities. The author shares a framework which is useful to understand how films generate revenue in this rapidly growing media environment. This book offers valuable insights into the adaptation of marketing and distribution practices in both global and regional film industries.

Research Methodology

The case study method was used to get a clear picture of the changing times during the pandemic. In-depth Interviews were conducted based on the Case Study results and regarding the changes and predictions. A semi-structured interview was conducted to understand the impact of COVID.

Two interviewees were selected as respondents. They are Sankar (aka) Cable Sankar - Founding Partner, **MovieWud** & Filmmaker, and G K Aanantha Varshan - Film Director. With these two respondents, the study is keen to know the merits and demerits of COVID-19.

Speeding up the conversion to a new technology

We can all agree on one thing: the prima facie impact of COVID-19 on the film business was that theatres were closed due to the imposition of the lockdown. To add to it, even small-screen shooting came to a standstill. This deprived people of all of their periodic doses of entertainment and surged the demand for content, due to lack of content and sheer boredom. Eventually, both the already prevalent demand for content and the new demand grown out of boredom & content fatigue had to be met by the then budding technology of OTT.

It has been evidently cited that the COVID-19 was surely a catalyst & just a catalyst in the process of conversion to OTT, because OTTs were already present and growing even before the pandemic. COVID-19 just necessitated the immediate adoption of and conversion to OTT by both the Consumers & Producers.

COVID-19 made way for the adoption of and the conversion to OTT in two folds: one as a release medium, i.e., an alternate for theatres, & as a new medium in itself ie, facilitating OTT-style personalised viewing content like Series, Shortfilms & Anthologies. Consumers converted to OTTs because of their content fatigue and the lack of content in the conventional media. Though TV Channels functioned and telecast movies, it lacked a sense of free will from the consumers' perspective. A majority always felt discontented either due to their taste and preference or due to the repetition of a few good movies by the TV Channels. This was mainly because the COVID-19 Lockdown was the first time in the century that the whole lot of the world population stayed in their homes and mass-consumed content 24/7 throughout the whole span of lockdown. This, coupled with the absence of TV serials, incited consumers to search for an alternate medium of entertainment.

The big players among the OTTs used this opportunity and marketed their way into the homes of the content-fatigued consumers. Though the conversion was all-pervasive, it was different with each OTT and each consumer. Due to the marketing model and content catered by each OTT, the consumers got divided into strata much like the conventional A, B & C Centres. But we'll get to this subsequently.

The Producers converted to OTTs because the digital screen was inside almost every home, either through a TV screen or through a Laptop or Smartphone. This was a new and growing medium which was, in a way, an alternative to the Theatres. More than a tactical decision, in most cases, it was a situational solution, as the investments made by the producers, actors and the technicians involved, ie., time, money, effort, and goodwill, seemed to be sinking due to the absence of the conventional release medium, theatres. The finance costs were also growing with time. All these put together caused the adoption of OTT by the producers.

As for the Creators, as always, it was their artistic craving that led them to explore the new medium. With the creators exploring the new medium and the new forms of content, the producers found an alternate investment opportunity. And the consumers were given temporary alternatives and permanent new forms of content, such as Web-Series, Shorts & Anthologies, in the new medium. Thus, cyclically, the consumers encouraged the producers to adopt, and the producers & creators encouraged the consumers to convert.

Transformation of the Process of Film Business

With the adoption of a new medium, the old ways of performing the Business became obsolete. Though distribution channels remained the same, one of the channels ie. The Theater, was inaccessible for quite a long window due to the lockdown. Therefore, films made for the conventional media, such as Ponmagal Vandhal, Penguin, Soorarai Potru, Karnan, Sultan & Jagame Thandhiram, were released directly on OTTs.

Unlike the distribution channels, the distribution methods transformed drastically. The conventional options of MG (Minimum Guarantee), Outright, Distribution & Own Release were all subsumed into Outright Sale & Revenue sharing. Unlike Theatres, which made their revenue (only about the film as a product) solely from the sale of tickets, the OTTs had other revenue models, namely TVOD (Transactional Video-on-demand) (eg. Apple TV), AVOD (Advertising-based Video-on-demand) (eg. MX Player) and SVOD (Subscription Video-on-demand) (eg. Netflix, Amazon Prime, etc). Though not all platforms exercised all models, the producers were given the option of choosing the platform based on their Revenue Models and Distribution Method.

The producers could opt for any of the Revenue Models through either of the Distribution Methods. Though the Revenue Model was not at the discretion of the producer in case of Outright sale to the OTT, the OTT platform itself could be chosen by the producer based on the Revenue Models it catered to and its capacity to buy.

With the advent of New Media, the role of Distributors & Middlemen was rendered insignificant. Thus, the producers were able to directly deal with the OTT platforms and avoid losses due to cuts given to middlemen. Nevertheless, even now some middlemen enable small producers and independent filmmakers to contact and deal with OTTs. A few instances suggest that such middlemen facilitate and help ease the business by either soliciting the Big Fish or by contracting with multiple small OTTs for the same film. Either way, the producer's revenue is only increased.

Conventionally, the distribution channels were not mutually exclusive, but the OTT platforms decided to offer some original and exclusive content. Therefore, in some cases all rights were transferred to the buyer (in this case the OTT platform), and all other distribution channels were foregone. Though this may seem less profitable, we are to take into account the fact that it guarantees revenue and drastically reduces the business risk.

However, the distribution channels have not become mutually exclusive. Movies like “Thalaivi” opted for theatres for the primary release and withheld the OTT as a secondary means of Revenue Generation.

The first-copy style of business has transformed into Funded Web Content Production. Wherein the OTT platform selects and approves pitches based on their quality, scope for script-to-screen conversion, taste & preference of their subscribers/consumers, etc. Then the OTT platform funds the producers and guarantees the purchase of the said content at an Agreed Value. Mostly, this funding is partial only. This helps independent filmmakers to go on the floor and then mobilise funds.

Reduction in Explicit Costs

The new media makes processes like Deployment redundant, only about itself. In cases where the producer opts for TVOD on a revenue-sharing basis alone, and that too only on a few OTTs, the producers have to upload and

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host the content, and if they lack the infrastructure for it, they hire a third-party host who resembles the conventional Deployment. Other than that, the share of the VPF (Virtual Print Fee) and other charges related to it, paid to Deployment platforms like Qube and borne by the producer, are no more, in the case of an OTT release.

In cases of Outright sale, even the Marketing is done by the OTT platform. Therefore, the producers do not have to spend it from their pockets. This eases the way for small-time players and Independent Filmmakers, as they do not have to worry about the humongous costs of marketing and releasing a film in the big screens.

New Media did not just reduce explicit costs; it also reduced the Producer's Opportunity cost of the common inconveniences faced by consumers. They cost the Producers a dent in the perceived value of the movie-going experience. For example, the idea of having to spend hundreds on a single popcorn or having to sit through 45 minutes of ads even before the movie begins. None of these was part of the Producer's revenue model or product offering or even their ecosystem, yet they were thrust into the Consumer's movie-going experience and thereby determined how the Consumers perceived the value derived. Films which were shunned off as good, yet not worthy of a "2000 Rupee weekend family outing" were now consumed by the same audience right from the comfort of their homes. Now the producers can determine the kind of experience they wish to give their audience: is it an entry-free yet ad-based revenue model, a subscription-based model or a pay-per-view model. None of which pose as much of an inconvenience as compared to what the consumers dreaded at the Traditional 'Big Screen'.

Targeting Consumers

For a few decades now, grouping and stratification of consumers have been done to increase the footfall in the theatres. The new media took it to the next level, wherein the choice of the OTT platform on which the producer decides to screen itself stratifies the market. Various OTT platforms offer various types of content, though in the same contemporary forms, and tend to have their own unique style and preferences in the content selection. They are also priced differently. Therefore, consumers, being rational, would choose the OTT platform which gives them maximum utility per rupee spent ie. the one that coincides with their tastes & preferences, and is within their budget. If chosen wisely, the choice of OTT platform would itself amount to proper Distribution and Marketing of the commodity. Thus reaching the maximum number of prospective consumers. This gives a wide and concentrated reach for content like never before.

Modifications in the Marketing Strategies & Models

With the conversion to New Media, the OTT platforms perform the marketing by themselves. They first procure the content and market it based on its Aesthetic Value, Commercial Value and Star Value. They have the infrastructure and manpower to formulate appropriate marketing strategies for each film. OTT Platforms do not benefit from customers merely paying a subscription or clicking the film links. They need to retain their customers for their sustenance and future stability. Therefore, they will aim to promote only the appropriate content to their customers. This motive is seen in the 'Suggestions' or 'You may also like' or 'People who watched this also watched' feature in all flagship OTTs. As a net result, the whole of the marketing process will be content-driven rather than just a hoax aimed at attracting as many pre-bookings as possible.

What will follow?

Due to the content-driven marketing strategies of the OTT platforms coupled with Grouping and Stratification, the Marketing Models adopted by the OTT platforms will get more concentrated and will be targeted only at the Prospective Consumers. In a decade or so, this may reach such an extent that even the listing and announcement of movies will be personalised and targeted only at those who will relish that particular movie. The scope of this is seen in the Big Data Processing by Social Media Platforms today. The attention span of the audience is drastically reducing, so the tradition of re-watching movies is on the verge of extinction. The culture of re-watching may be kept alive by a handful of film lovers, and that too only for contemporary classics which are close to the heart of the audiences. As a result, top OTT platforms may refuse to procure films which were already released in theatres. They cannot procure a film which has already been watched by many, possibly a majority of the prospective consumers, and wait for years for the next generation to search and watch it. Or they may either push for revenue sharing or set low prices. The New Media has made the content market into a Perfect Competition, wherein the OTT platform itself plays only the role of a facilitator rather than a distributor/retailer. Therefore, the consumers, producers and facilitators all have complete Market Knowledge. This will curb the unnecessary extravagant spending on unworthy films and hedging on the star value and the middlemen & distributors who do not have complete knowledge.

This will result in proper allocation of resources in the industry as a whole. Meaning, large investments made on unworthy projects relying on the star value alone will slowly cease to exist, as the facilitator-cum-exhibitor will have statistical data about the performance of prior movies and will not be willing to pay a higher price for a product similar to a previously failed one. Eventually, even medium-scale unworthy projects will cease to exist. Therefore, the average quality of films as a whole will increase due to intense competition both among OTT platforms and among individual films.

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