

Hanuman traces the growth path

There are more than a dozen animation feature films on the drawing boards of Indian production houses, including two sequels of 'Hanuman'

BY PRIYANKA MEHRA
priyanka.m@livemint.com

Hanuman, one of the heroes of the *Ramayana*, and one among the many gods in the Hindu pantheon, has emerged the god in the making for the Indian animation industry. V.G. Samant's feature film, *Hanuman*, grossed Rs15 crore in revenues, giving a return of more than 25% to its producers, Sahara India Pariwar, Percept Pictures Company (PPC) and Silvertoons.

Now, Hanuman is ready for a makeover. No longer will he be swinging from trees like Mowgli, the hero of *Jungle Book*; instead, he is poised to become a superhero in his next avatar. Two sequels, *Hanuman Returns* (releasing in November) and *Hanuman 3* (slated for 2009), will project him as an action hero. "We want Hanuman to be a global superhero like a Spiderman or Superman," says Preet Bedi, CEO, PPC.

Lined up along with the Hanuman sequels are more than a dozen animation films that will be produced by Indian compa-

nies over the next two years. Companies that once operated mainly as workshops serving international customers have transformed into full-fledged production houses post-*Hanuman*. A host of international production houses are tying up with Indian producers to co-produce films, where the copyrights, costs and profits are split equally. And, much of the production work is done in India.

Take, for instance, the deal Compact Disc India Ltd (CDI), a Chennai-based media production firm, signed with Motion Pixel Corp. (MPC), a Hollywood production house, last month. For the 90-minute 3D animation film, *Goaaaaa!!*, CDI will get to spend 80% of the \$20.15 million production budget. "We are doing the animation production and post-production work for the film," says Suresh Kumar, chairman, CDI. The script, voice-overs, music and distribution will be done by MPC. The film, which centres around football, will be released in 2009, in time for the following year's FIFA World Cup.

Similarly, Pritish Nandy Communications has signed a five-film deal with MPC. The deal between the two companies includes five 3D-animated Bollywood films.

"Co-production of animation films is a growing trend because, one, the quality of Indian companies is world-class, and two, it is much more cost-effective," said a spokesperson for UTV Software Communications Ltd. UTV is working on three animation movies for the domestic market, and is co-producing two more with international firms, one with PorchLight Productions and the other, a \$20 million movie, with Will Smith's Overbrook Entertainment.

Adlabs Films Ltd also has two domestic projects on the draw-

ing board. "The whole multiplex boom has resulted in more family outings, making animation films a perfect option," said Siddharth Jain, head of animation, Adlabs. With a Rs15-20 crore film production budget, Adlabs is taking the brand mascots of 'Gini n Jony', a children's clothing line in which the company's parent Anil Dhirubhai Ambani Group owns 22% stake, to make an animation film. The second Adlab animation film, featuring south Indian star Rajnikanth, is tentatively called *Superstar*. "We will see a lot more occupancy of this space in the next few years," says Jain.

There are some reservations on the returns on investment though. In the West, an animation film is backed by aggressive merchandizing, but Indian companies seek to recover their investment through the film itself. "Western countries are making most of their money through merchandizing, and we still have to get into that," says Sandeep Bhargava, CEO, Studio 18, the entertainment unit of Network 18 Fincap Ltd, which is considering an international co-production. Some merchandizing initiatives are already in the pipeline. "*Hanuman Returns* will be released around Diwali, in five languages, and its marketing will include mobile and Internet gaming, merchandizing, comic books, and music," said PPC's Bedi.

Animation has not been restricted to films alone. Many television advertisements are using 3D animation. Pixion Studios, a subsidiary of the entertainment services company, Century Communications Ltd, has completed more than 1,000 projects for leading brands. "These include Coke, Sony Ericsson, Ford, Tavera, Nokia, Motorola, Samsung, Compaq, ICICI, Nestle, Cadbury's, Dettol

and Dabur," says a Pixion spokesperson.

Software industry lobby group Nasscom puts the industry's revenues at \$354 million in 2006, a growth of 24% over 2005. Exports accounted for more than 70% of this. There are around 300 animation companies in India, employing 12,000 people, and another 3,000 freelancers. The industry is expected to touch \$869 million in revenue by 2010. "Factors driving this growth include a cost advantage, a pool of English-speaking manpower, growing maturity of animation studios, development of intellectual property and an attractive domestic market opportunity, says Nasscom Animation and Gaming Report 2007.

The report, however, talks of the need to upgrade animation technology. "For *Friends Forever*, we had to go to Malaysia to use their multimedia park," says CDI's Kumar. "What took six months in Malaysia would have taken us 15 months in India due to the lack of improved technology," he adds.

Despite these reservations, industry executives believe that animation will take off in a big way. PPC's Bedi sums it up: "India has the world's richest storehouse of mythology and stories, yet we had no superheroes on celluloid. This was an imbalance waiting to be corrected."

In the making: Hanuman and sketches of a character from *Hanuman II*.



Targeting the mall rats

FROM PAGE C1

A recent ACNielsen ORG-MARG Pvt. Ltd survey across Indian metros showed that 56% of all shoppers surveyed were tempted to try skincare products which had advertisements or promotions running in the store. Of the shoppers who were not particular about buying a specific brand, 72% said they were more likely to buy a product that had banners in the store, or had an on-ground discount scheme running.

"Most consumers are sceptical of advertising and are more likely to place emphasis on direct experience. So, in-store advertising goes a long

way in establishing that connect as you are catching the consumer in the right frame of mind and any message delivered at that point would have an impact on immediate purchase," says Anjali Puri, director, client service, ACNielsen ORG-MARG Pvt. Ltd. "So, across categories, it makes more sense to deliver the message on-ground, where the connect is stronger," she adds.

Now, some companies are building their businesses around creating a range of mediums and advertising content. Pantaloon Retail's parent, the Future Group, has launched Future Media (India) Ltd, which handles advertising at all Pantaloon Retail stores

Big FM pays about Rs1 lakh per month for each Big Bazaar store that plays its radio station

and malls, and will also manage advertising in other malls and at airports. There are some independent players, too—the 3i Private Equity funded Out-of-Home Media (India) Pvt. Ltd, Matrix Partners India-funded vJive Networks, and TAG Media Inc. has TAG Media Network Pvt. Ltd.

But this medium of advertising is still in a start-up phase. The use of televisions and display screens, for example, is restricted by the lack of content tailored for mall screens.

Experts say ads on mall televisions work best when they are half the usual length, 10-15

seconds rather than 20-30 seconds.

"Nobody is going to watch a 30-second commercial on these in-store networks. You have to ensure that the content is relevant and engaging. You have three seconds to capture the shoppers' attention," says Maureen Johnson, chief executive, The Store, which researches trends for retail advertising for the WPP Group. For instance, an advertisement for Unilever deodorant Axe, made for in-store televisions at Wal-Mart, was designed to look like it was from a mall's security camera footage.

Faced with a growing need to cater to this growing medium, Indian ad agencies are also setting up specialized divisions. Among them are Noshe Oceanic Advertising Pvt. Ltd, Madison Group's MASH, Percept Out-of-Home's Percept Retail and Group M's Dialect.

"Many clients are beginning to divert a lot of money to communication, in what we call the last mile. So, as I see it, advertising agencies will have no choice but to offer

services in this area," says Anurag Gupta, country head, Ogilvy Action. "We are in the process of launching a retail division under Ogilvy Action very soon," he adds.

While footfalls at stores such as Big Bazaar run into tens of thousands every day, advertisers say it is hard to commit advertising without having a metric that indicates what percentage of shoppers actually see television screens hanging above their heads or radio screaming over the din of a crowded store.

"More often than not, advertisers take a call based on the number of people who visit a particular store," says an advertiser from a Mumbai-based ad agency, who did not want to be named because of company policy.

"This data is gathered from security guards, who use a clicker to keep tab on the number of people entering the store," says Deepak Jayaram, director, dialect, which handles media buying and planning for retail spaces. Advertisers are now looking beyond

the numbers, too. Group M is creating a metric to measure how many of those who see ads in stores actually buy the advertised products.

As new malls and stores open everyday, advertisers are also finding new mediums to reach consumers. Rajesh Jog, chief executive of vJive Networks, is running a pilot on talking store shelves that will recommend products.

"It is a relatively new medium, where the effectiveness of communication is measured in terms of sales. It requires new thinking and international learning from mature markets," says Gupta.

Despite these opportunities, retail marketing in India still has a long way to go. "As of now, in-store advertising is only attracting below-the-line spends. In the next year or two, however, it could become the fifth most important mass medium, after television, print, radio and outdoor," says Dasgupta of Future Media. And the growth of organized retail will only help the cause.

gouri.s@livemint.com