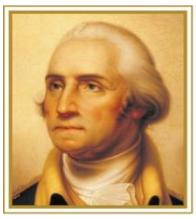

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CREATIVE & INNOVATIVE ECONOMY CENTER

BOLLYWOOD CULTURAL CREATOR STRATEGIES FOR THE MIDDLE OF THE NDIAN PYRAMID, THE GLOBAL MARKETPLACE, AND PIRATES

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ABSTRACT

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INTRODUCTION

Cultural creators share with technology innovators the distinctive economics of the knowledge appropriability problem: Product development is expensive; production and distribution tend to be comparatively inexpensive; potential investors and competitors consider the strategic implications. Institutional theory explains that government grants intellectual property rights through copyright and patent laws that incent investment into creative expression and technology innovation in order to solve the knowledge appropriability problem confronted by creators and innovators. "In the absence of copyright protection the market price of a book or other expressive work will eventually be bid down to the marginal cost of copying, with the result that the work may not be produced in the first place because the author and publisher may not be able to recover their costs of creating it" (Landes and Posner, 2003:40). "The conventional rationale for granting legal protection to inventions as to expressive works is the difficulty that a producer may encounter in trying to recover his fixed costs of research and development when the product or process that embodies a new invention is readily copiable" (Landes and Posner, 2003:294).

Despite that cultural creators share similar economics and legal institutions with technology innovators, most of the strategic management attention goes to technology innovators. Technology innovators make strategic management decisions conditioned by particular appropriability regimes (Teece, 1986). Technology innovators are stimulated by stronger appropriability regimes (Mansfield, 1986; Chen and Puttitanum, 2005; Qian, 2007; Lin, Lin, and Song, 2010). Is it the same with cultural creators? Technology innovators tend to use license and collaboration strategies in stronger appropriability regimes; technology innovators tend to use internalization and complementary asset strategies in weaker appropriability regimes (Gans, Hsu, and Stern, 2008). Is it the same with cultural creators? Technology innovators build

organizational capabilities to appropriate intellectual property value (Reitzig and Puranam, 2009). Is it the same with cultural creators?

Management studies, when considering technology innovators, rarely reference legal scholarship regarding the intellectual property laws and implementation that compose appropriability regimes. This study places management and legal studies in dialogue. A serious debate between a "Room with a View Thesis" from law and economics and a "Free Expression Thesis" from law and culture has been taking place among legal scholars regarding cultural product creation and distribution and the ideal appropriability regime. From the perspective of the "Room with a View Thesis" copyright laws and their enforcement, that is, strong intellectual property rights, incent the creation of cultural products. From the perspective of the "Free Expression Thesis" copyright laws and their enforcement Legal studies are thereby deeply divided about the ideal appropriability regime for cultural creators. Management studies are well-positioned to

This study focuses on cultural creators' strategic management, on strategic management by Bollywood cultural creators in India. Focus on Bollywood cultural creators, that is, the film, television, and music businesses clustered in Mumbai (formerly known as Bombay and, thus, the linguistic origin of "Bollywood"), provides evidence from the world's biggest national film industry (by annual movie count) in the second largest population emerging market country (and projected to one day become the largest), India, a country with a globally generalizable appropriability regime.[1]

Indian filmmakers produce some 1000 movies each year, thereby generating x billion dollars in annual revenue, growing at a xx percent pace, and employing x million people. [Price Waterhouse Coopers study data summarized] The Indian film industry thereby produces twice as

many films annually as does the United States, but Indian films take only 2% of global film revenues. [Bertrand number; no source] International licensing and sales contribute 14% to Indian filmmaking revenue and international revenues are growing… Nevertheless, Hollywood earns about 35% of its annuall $xxx revenue internationally each year. There are about 120 million television households, about 71 million cable television households, and about 5 million satellite direct-to-home subscribers in India. There is only one terrestrial broadcast television provider, the Indian state provider Doordashan, but it is estimated that there are as many as 70,000 cable operators in the country. [2001 data from Carter study; updated?] [music numbers]

In order to gather evidence about Bollywood cultural creator strategies we carried out case studies of leading (that is, marketplace successful) figures in Bollywood, a film and television performer (Amitabh Bachchan), a songwriter-composer (GD), and a director (Yash Raj Chopra). We carried out case studies of leading Bollywood producers, including a maverick filmmaker (Bobby Bedi), a film hit-maker (Aditya Chopra), a television hit-maker (Sanjiv Sharma), and a music innovator (Atul Churamani). These case studies teach the business strategies that lie behind the numbers collected from various Bollywood sources.

APPROPRIABILITY REGIMES AND CULTURAL CREATOR STRATEGIES

Room of One's Own Thesis: Cultural creators will produce new works owing to innate desires of self-expression, but they will create more works when governments intervene with copyright institutions (Plant, 1934). Professor, later Justice, Stephen Breyer (1970) asserted that the self-expression desire renders the case for copyright "uneasy." The poet Virginia Woolf (1929:25; 108) was not taking up the great copyright debate when she asked, "Why was one sex so prosperous and the other so poor? What effect was poverty on fiction? What conditions are

necessary for the creation of works of art?" nor when she answered, "Intellectual freedom depends upon material things. …[W]omen have always been poor, not for two hundred years merely, but from the beginnings of time. …Women, then, have had a dog's chance of writing poetry. That is why I have laid so much stress on money and a room of one's own." Cultural works possess public good or appropriability problem economics—high costs of creation, low costs of reproduction—and that explains the law and economics of copyright law (Landes and Posner, 1989). An econometric model showed that copyright restrictions promote social surplus by incenting more works (Johnson, 1985). Let us call it the "Room of One's Own Thesis": *Copyright laws and their enforcement incent cultural creators to make more expressive works.*

A legal scholar argues that, from an industrial organization perspective, copyright institutions encourage cultural product differentiation (Abramowicz, 2004). Cultural product differentiation raises the fundamental copyright issue of scope of protection, which has been explained to be fundamental to the patent institution (Merges and Nelson, 1990). The copyright covers only *original* expressions of ideas, not the underlying ideas, and there are lots of original ways to express ideas under the low threshold of "originality" in comparison with the higher threshold of patent invention novelty and nonobviousness (Landes and Posner, 1989). Disputes among cultural creators arise. A copyright law authority argued that U.S. federal appeals court Judge Frank in the dispute between composers Ira Arnstein and Cole Porter in 1946 provided the clearest analytic framework when he explained that "improper appropriation" should be determined by inquiring whether the accused infringer had access to the plaintiff's work, i.e, seen or heard it, and how similar the second work was to the first (Latman, 1990). It has become known as the "substantial similarity" test and is fundamental to the real meaning of copyright

infringement. *Copyright infringement rules define the cultural expression appropriability regime.*

The grant of copyright to all derivative works from the original work provides an incentive to the originator to create new works, it has been argued (Goldstein, 1983). The contrary argument, however, has been made often in legal scholarship and commentary that *no or limited* derivative work rights provide *more* incentives to subsequent cultural creators and that derivative rights actually discourage cultural product creation. A legal scholar argues that, from a law and economics perspective, derivative rights incent original work copyright owners to produce *quality* derived works lest the value of their original be lessened rather than be merely quick to the marketplace with sequels, as non-owners in a market without derivative rights might be (Abramowicz, 2005-2006). *Copyright derivative rights rules influence the cultural expression appropriability regime.*

A printer from Mainz—the Silicon Valley of printing in its day--revolutionized reproducibility when he introduced his press into pre-Renaissance Venice and the government there invented copyright to incent the introduction of new written works (Prager 1944). The printing press enabled marketplaces for dramatic and musical works of authors, composers, and songwriters. The U.S. Congress in 1831 first gave composers a copyright in their musical compositions. Congress in 1897 gave the exclusive right to composers and songwriters to performances of their music publicly. Performances had always been live until Thomas Edison's phonograph and motion picture inventions: "[A]n invention which will give cheap opera to all the people," said Edison about his phonograph (Baldwin, 1995:340). A legal scholar explains that in 1909 Congress, concerned about potential market concentration, regulated a compulsory license with a set royalty rate for mechanical reproductions of music (Merges, 1996). The royalty

rate, he points out, remained unchanged at two cents *until 1978*, giving new meaning to regulatory inflexibility. He concludes that the music mechanical right compulsory license remains bad public policy 100 years later and that collective rights organizations make more policy sense in such institutional economic situations.

The live performance right for composers and songwriters was historically in the United States more theoretical than real, for they found that they could not enforce their rights. They had no way to know when and where their music was being performed in the tens of thousands venues across the United States that used their music. At the same time, the problem also existed in reverse: The performers and business people who wanted to use the music had no workable mechanism to locate the copyright owners with whom to negotiate licenses. Composers and songwriters banded together to solve the problem (especially in New York City, their big market) by forming a performing rights organization, the American Society of Composers, Authors, and Publishers (ASCAP) in 1914. Broadcast Music Incorporated (BMI) was founded in 1940 by radio networks to compete with ASCAP, which fomented competition healthy to the benefit of songwriters and composers (Besen, Kirby, and Salop, 1992). Composers and songwriters (and many music publishers) are small businesses; they lack the organizational capacities to enforce their copyrights through the many performance venues and varied means of music distribution that exist. It is the "theory of the club" at work (Buchanan, 1965): They act collectively through representatives that build the organizational capacities to do what not one among them can do individually. They don't free ride, a key problem of collective action (Olson, 1965), because they cannot derive benefit (royalties) by staying outside the club. *Performing rights organizations enforce copyrights on behalf of cultural creators.*

Two economists considered the impact of reproducibility technologies for how music creators spend their time (Watt and Touse, 2006). They suggested that the strength of the copyright appropriability regime affects time allocation choices between live-performance fees and music product royalties as well as leisure and has forward-looking and backward-looking implications that may relate to a creator's age. Their analytic framework applies as well to directors and actors in film and television: The strength of the appropriability regime may influence strategies with respect to film and television product development participation. It is the "room of one's own" thesis at work, again. *Songwriters, composers, film and television directors, and film, television, and music performer strategies are influenced by the cultural expression appropriability regime.*

Music, television, and film production came to be clustered in the United States in New York, Los Angeles, and Nashville through organizational structures of big and small music labels and big and small film/television studios through scale and scope economies, organizational know-how and skill concentrations, and marketing capabilities (Vogel, 1994). Some big labels thrived over the course of decades of communication technology change through dynamic capabilities; start-up labels continually arose, leveraging often a single talented performer and growing from there or expiring with the artist's flame-out (Sanjek with Sanjek, 1996). The big studios enduringly dominate the Hollywood industry—Warner Brothers, Twentieth Century Fox, and Columbia date to the early twentieth-century beginnings of the industry; Disney innovated the industry with his animation technique in the 1920s (Koszarski, 1990). Labels and studios arose to entertain an American middle class that emerged in the first-half of the twentieth century and exploded in the second half.

Study of the television production marketplace in the United Kingdom characterizes the system as a quasi-marketplace because the "vast majority" of television programs are either produced by or commissioned by one of four television distributors—BBC (a universal TV-household license fee-based state-owned enterprise), ITV (a license fee-based network of 15 regional licenses), Channel Four Television (an advertisement-based public company, and Channel Five Broadcasting (an advertisement-based private enterprise owned by Bertelsmann) (Deakin, Lourenco, and Pratten, 2008). They call it a "quasi-market" because, though the UK government does not authoritatively control television, its "hand" is more visible than is typical of government regulation in general. Many UK television producers can be called "latent organizations" because they flexibly expand, contract, and re-expand to produce projects as commissions are won and lost (Starkey, Barnatt, and Tempest, 2000).

American copyright law allows music, film, and television producers to own the copyrights by way of the "work-made-for-hire" doctrine codified in the 1909 Copyright Act under the policy logic that "copyright ownership should go to the party in the better position to exploit the value of the disputed work by bringing it to the public's attention" (Hardy, 1988:181). Disputes between producers and "the hired" are nevertheless not uncommon when the latter believes the creative contributions to merit shared copyright ownership. *Music, film, and television producer strategies are influenced by the cultural expression appropriability regime.*

Digital technologies radically upset cultural production through computer and communication convergence (Bradley, Hausman, and Nolan, 1995) to make an electronic marketplace (Leebaert, 1998). Policymakers and legal scholars in the United States debated copyright and the appropriability regime. "At least in theory, every computer user can become his or her own publisher, and every terminal can become a library, bookstore, or audio and video

jukebox. …Unless they become author-friendly, digital media may remain just that—media without content. …But if cyberspace threatens authors' ability to control the exploitation of their works, it also offer them new opportunities for creation" (Ginsburg, 1995:1467).

She argues that "the supplanting of traditional distribution of copyrighted materials by private copying represents the end point on a continuum that has been evolving since the introduction of the photocopier and the audiotape recorder in the 1960s. These technologies first undermined, and then eradicated, the premise underlying private copying exemptions: that private copying would be laborious and economically insignificant" (Ginsburg, 1995:1478). She goes on to argue that traditional copyright principles say that exclusive copyrights include online reproduction, distribution, public performance, display, and derivative works rights. Observing that enforcement of these rights would be a challenge: "Can there be meaningful and palatable copyright enforcement against individuals? Alternatively, will there still be intermediaries worth pursuing?" (Ginsburg, 1995:1488). She argues that the well-established copyright law notion of "contributory liability" applies to those who provide communication fora for infringement and online service providers fit that definition and suggests that performing rights-collective rights organizations, created as institutional solutions when the enforcement problems were innumerable hotels, restaurants, and stores, may be preferred institutional solutions in the digital environment. *Cultural expression appropriability regime copyright law adaptations to digital technologies influence cultural creator strategies.*

Free Expression Thesis: Professor/Justice Breyer's "unease" with copyright law because of the human desire for self-expression should be supplanted with antipathy, say a number of legal scholars. "We are in the midst of an enclosure movement in our information environment. …Expecting information to be owned, and to be controlled by its owner, blinds us to the cost

that this property system imposes on our freedom to speak" (Benkler, 1999:354, 356). He argued, "The core difference between the public domain and the enclosed domain is that anyone is privileged to use information in ways that are in the public domain, and absent individualized reasons, government will not prevent these uses. The opposite is true of the enclosed domain" (Benkler, 1999:363). The enclosed domain, he said, should defer to the public domain for a reason fundamental to the U.S. Constitution: "Recognizing property rights in information consists in preventing some people from using or communicating information under certain circumstances. To this extent, all property rights in information conflict with the 'make no law' injunction of the First Amendment" (Benkler, 1999:393.

When a U.S. federal lower court determined that *Wind Done Gone* was an improper derivative of *Gone with the Wind* because it had re-interpreted the famous story of the latter work from the perspective of a slave, a legal scholar elaborated the argument that copyright law violated the U.S. Constitution on First Amendment free speech grounds (Rubenfeld, 2002). The First Amendment states, "Congress shall make no law… abridging the freedom of speech…." Yet, he says, "Copyright law is a kind of giant First Amendment duty-free zone. …Courts consistently hold that copyright does not have to answer to First Amendment scrutiny. …Just because a law passed by Congress falls with the terms of an Article I power, the law is not thereby exempt from the Bill of Rights" (Rubenfeld, 2002:3, 4, 12). He finds the law and economics copyright defenses unpersuasive: "What does it mean to distinguish ideas from expression? …Distinguishing ideas from expression is notoriously tricky" (Rubenfeld, 2002:14). He wonders whether copyright law really leads to more speech, as law and economics copyright contends. He concludes, "We don't suppress books in this country. Courts have no authority to

suppress a book on the ground that its exercise of imagination is harmful and unauthorized. To do so violates the First Amendment—period" (Rubenfeld, 2002:54).

The suppression of *Wind Done Gone* was lifted by decision of a U.S. federal appeals court. The court determined that *Wind Done Gone* was entitled to a parody defense and thus did not infringe the derivative copyrights of the owners of *Gone with the Wind.* The parody defense against infringement exists, as a matter of law and economics, because copyright owners may not wish to grant license rights to critics but critics are valued in democratic discourse (Landes and Posner, 1989). From the law and economics copyright perspective the parody defense owes to market break-down.

Jochai Benkler fears, too, that "a world dominated by Disney, News Corporation, and Time Warner appears to be the expected and rational response to excessive enclosure of the public domain" and that "convergence will be towards concentrated commercial production by organizations that vertically integrate new production with inventory management of owned information" (Benkler, 1999:359, 400). Some legal scholars, from the perspective of cultural theory, argue that many potential cultural creators lack social power and that copyright law and its enforcement reinforce their powerlessness the cultural expression marketplace (Aoki, 1996; Chander and Sunder, 2007). "Fan fiction," they say, "spans all genres of popular culture, from anime to literature" and aims to "re-imagine our cultural landscape, granting agency to those denied it in the popular mythology…that challenge the orthodoxy of the original… (Chander and Sunder, 2007:597). The offer the example of an unauthorized story in which "Lieutenant Mary Sue took the helm of the Starship Enterprise, saving the ship while parrying Kirk's advance" that circulated on the Web (Chander and Sunder, 2007:597). Cultural minorities and women especially need protection in the marketplace from the copyright law-sanctioned control of

cultural expression by cultural majorities and men. Developing country creators, e.g, the Indian creator of "Harry Potter in Kolkata" who received a cease-and-desist letter from J.K. Rowling's Indian legal counsel, share with cultural minorities and women in the United States a need for broad defenses to ensure social meaning in the cultural product marketplace is not controlled by the haves.

"Technology now makes possible the attainment of decentralization and democratization by enabling small groups of constituents and individuals to become *users*—participants in the production of their information environment—rather than by lightly regulating concentrated commercial mass media to make them better serve individuals conceived as passive consumers" (Benkler, 2000:562). He argued that "an open, free, flat peer-to-peer network best serves the ability of anyone—individual, small group, or large group—to come together to build our information environment" (Benkler, 2000:568). It was, he said, ultimately all about the regulatory regime: "As the digitally networked environment matures, regulatory choices abound that implicate whether the network will be one of peer users or one of active producers who serve a menu prepackaged information goods to consumers whose role is limited to selecting from this menu" (Benkler, 2000:562). "This enclosure raises the costs of becoming a user—rather than a consumer—of information and undermines the possibility of becoming a producer/user of information for reasons other than profit, by means other than sales" (Benkler, 2000: 562). [A copyright] injunction…," he said, "undermines the availability of our cultural commons as a resource for personal expression and public discourse" (Benkler, 2000:571).

Another scholar makes the point that users bear the costs of digital distribution through the purchase of computers and Internet connections and concludes, "[C]opyright protection cannot be justified as a means of ensuring distribution and is an impermissibly inefficient means

for ensuring creation. …For most musicians…, live performances are the principal source of income. …For the artist, free music is a complementary good that increases ticket sales (Ku, 2002:294, 308, 309). "Musical borrowing, which includes a range of practices from copying to more subtle influences, is a pervasive aspect of musical production," explains an anthropologist-legal scholar (Arewa, 2005-2006:550). Copyright law was historically constructed with "romantic notions of authorship and fidelity to sacred music texts" (Arewa, 2005-2006:552). Hip hop performers often lay rap over samples of previous performances, which is wrongly called "theft" when it should be called non-infringing "borrowing" (Arewa, 2005-2006:581-582). In contradiction, a leading law and economics scholar contends, "Artists and judges have very different views regarding how the law should treat appropriation art. The artist perceives legal restraints on bargaining as a threat to artistic freedom. …The law takes a more traditional review of appropriation art. Artists receive no special privileges to borrow copyrighted materials" (Landes, 2000-2001:1).

Thus, a serious debate between a "Room with a View Thesis" from law and economics and a "Free Expression Thesis" from law and culture with important implications for management studies has been taking place among legal scholars regarding cultural product creation and distribution and the ideal appropriability regime. Technology innovation studies, however, were ill-served by the polemical window into that debate provided in a premier journal of the field (Tang, 2005:854, 855, 865): "Not surprisingly, software and media companies (copyright industries) argue that information should be an unalloyed commodity and that extend protection is necessary for continued innovation in these sectors…. The plethora of new digital copyright law has extended the range of sanctions against infringement. But what of its impact on innovation? …The P2P genie is out of the bottle."

INDIAN APPROPRIABILITY REGIME AND BOLLYWOOD STRATEGIES

Indian Cultural Expression Appropriability Regime

A law of copyright was first passed in India in 1914 during the British colonial era, so Indian copyright law then explicitly followed English copyright law doctrines. The government of India passed the Copyright Act of 1957 to establish and an independent legal basis for its cultural expression appropriability regime. Amendments to Indian copyright law were passed in 1983, 1984, 1992, 1994, and 1999 and new amendments are pending in the Indian Parliament in 2010. Indian copyright law, according to the 1957 act, protects only *original* literary, dramatic, musical, artistic, cinematographic, and sound recording works of expression, though not underlying ideas themselves. Copyrightable subject matter according to the 1957 law includes works such as maps, photographs, and phonograms. The 1999 amendment added software programs as copyrightable subject matter, providing for the exclusive right to sell and offer to sell and/or rent any copy of the software program.

The 1957 law provides for copyright exemptions for purpose of (1) research or private study, (2) criticism and/or review, (3) judicial proceedings, (4) current events reporting, and (5) amateur performance for noncommercial audience. Literary, dramatic, musical, and artistic works receive a term of protection of life of the author plus 60 years; photographs, films, and sound recordings receive a term of protection of 60 years from the beginning of the calendar year following the year in which the work was released. Indian law does recognize the work-made-for-hire doctrine. Copyrights are granted with the creation of the work and are not dependent upon registration with Indian government authorities. Copyright owners may assign the rights in writing to another party.

The 1957 law states that the copyright to films and sound recordings is held by the producer; it is the producer who is considered the "author" of the work. The Indian Supreme Court in 1977 in a case involving the Society for Copyright Regulation of Indian Producers of Film and Television (SCRIPT) decided that the film producer owns the copyrights to musical compositions and song lyrics used in the film. The 1994 copyright amendment states that Indian law would henceforth vest ownership of the copyrights in the composers and the songwriters. But, the 1977 Supreme Court case remains in force under Indian law, so the film producers continue to own composition and song rights along with their film rights.

Infringements, says the 1957 Act, means to (1) sell infringing copies or make copies for sale; (2) allow space or place for the making of infringing copies, (3) distributing for trade infringing copies, (4) public display for trade of infringing copies, and (5) importing infringing copies in India. Indian law provides for both civil and criminal remedies in the case of copyright infringement. Civil remedies under the jurisdiction of district courts include court injunction, return of infringing copies, and damages for profit loss. Criminal remedies include first offense punishment of 6 months imprisonment and fine and second offense punishment of 1 year imprisonment and fine.

[derivative rights?]

The 1957 law provides for the establishment of copyright collective societies to license, collect fees for licenses, and distribute fees among owners after administrative cost deductions. The law explicitly specifies that collective rights roles of the Society for Copyright Regulation of Indian Producers of Film and Television (SCRIPT), the Indian Performing Right Society, Limited (IPRS), and the Phonographic Performance, Limited (PPL).

Several Indian states, Tamil Nadu in 2005, Maharastra (where Mumbai is located) in 2009, and Karnataka in 2009, have augmented federal Indian copyright law enforcement with anti-piracy laws. An anti-piracy bill is pending in 2010 in the State of Delhi.

India extends these copyright protections to foreign works of expression in compliance with its membership in the Berne Convention for the Protection of Literary and Artistic Works. The 1999 copyright law amendments intended to bring India into compliance with the World Trade Organization Treaty regarding Trade-Related Intellectual Property Rights (TRIPS) articles 9-14, including Berne Convention obligations, protections for computer programs and databases, a 50-year minimum term from date of publication or creation, and specific rights with respect to computer programs, sound recordings, musical performance, and broadcasting.

Performer, Composer/Songwriter, and Director Strategies

Amitabh Bachchan, Film and Televison Performer: Amitabh Bachchan is a Bollywood screen legend owing to singular status as a "bankable" film and television performer from the early 1970s until today. After appearing in several minor roles produced by small Indian film houses, Bachchan broke out by playing the upright police officer going against a corrupt system in *Zaneer* (Shackles). The movie played in the theaters for 50 weeks, making it then one of Bollywood's biggest all-time hits. After a second film success, the Bachchan screen identity emerged as an unconventional Bollywood film hero. Not considered classically handsome by Bollywood standards, by 1973 he was nevertheless recognized by producers and film-goers as their biggest star: In the late 1970s he had a stretch when five of his films opened on successive Fridays and in 1978 eight of his films were playing in the theaters *simultaneously*. From 1973 until 1982 only 7 of 70 films in which he starred failed at the box office, a remarkable run.

Nevertheless, after a period away from the screen during the 1980s due to an on-the-set injury, he appeared in one then several box office failures. Producers stopped calling him; he was no longer young; his leading man days seemed over. Bachchan decided to become a film producer. But, he discovered that he lacked the managerial skills to be effective and determined that the decision had been a mistake. He then embraced an opportunity, but a risky one, from cable television: There were no hit cable TV programs at the time, but he nevertheless signed with News Corporation's Star TV to become the host of the new Indian version of the British and American-market television hit-show *Who Wants to Be a Millionaire?*[2] When he helped make the show a hit in India, he again became a household name. Film directors again called and Amitabh Bachchan re-rose to marquee top-billing—an extraordinary career as a performer sustained through acting, singing, and dancing talent, the cultivation of a distinctive screen identity, and an impressive work ethic.

Yash Raj Chopra, Film Director: Yash Raj Chopra, who has been assisting his older brother with his film-directing, directed in 1959 his first film, *Dhool Ka Phool* (Blossom from the Dust), which dealt with the difficulties of an illegitimate child. The film was a critical and box office success. His second film bombed at the box office, but won the prestigious National Award. On the strength of critical and financial successes as a director working for his brother's production company, Yash Chopra founded Yash Raj Films in 1973 and directed hit-after-hit over the course of decades.

His first film under his own banner was *Daag (*A Poem of Love) which put three of Bollywood's biggest stars, Rajesh Khanna, Sharmila Tagore, and Raakhee, into a marital mess. It was a big box office success. But, with his next film, Chopra shocked Bollywood by making not another film exploring love, romance, and marriage but a "guts-and-gore" film, *Deewar,* based

on a real-life crime don played by emerging star Amitabh Bachchan. Chopra sought in his 21 films to engage the emotions of film-watchers through story-telling that was purposeful as well as entertaining: he turned very different story-lines and characters in films such as *Deewar, Ittefaq, Kabhi Kahie, Dar,* and *Dil To Pagal Hai* into hits by always telling stories that engaged audiences emotionally, whether in the genre of a musical romance or an action thriller. Most of his 21 films were big box office hits, though he had a few failures. One of his personal favorites, *Lamhe*, failed at the box office, which he says puzzles him to this day, but it nevertheless ultimately did well in DVD.

[Hardeep's songwriter/composer here]:

Discussion: Amitabh Chopra holds a unique status in Bollywood as a "bankable" movie star for four decades. Never considered the most handsome man in Bollywood, he sustained an extraordinary career as a performer through acting, singing, and dancing talent, the cultivation of a distinctive screen identity, and an impressive work ethic. From a *Hollywood* perspective, the Amitabh Bachchan "work ethic" appears super-human: He made *70 films* through the 1970s and early 1980s! Yash Chopra made 21 films over several decades, a quantity similarly large for a seminal director. Bollywood films are stereotypically known the world over for light romance, energetic dance, and bright music. The Chopra success appears to owe to his great capacity for story-telling--the capacity to engage audiences emotionally, sometimes intellectually, across film genres with stories that resonate. The awesome numbers in Bollywood film-making call for analysis, which we will provide through examination of producer strategies below.

[GD here]

Producer Strategies

Bobby Bedi, Film Producer: Bobby Bedi earned an MBA and joined Sony operations in India. Determined to strike out on his own, in 1989 he established Kaleidoscope Entertainment and put together $20,000 in financing for a literary film *In Which Annie Gives It* by a young director, Pradip Prishen, about his girlfriend's life as young architecture student. The girlfriend was Arundhati Roy, whose novel, *The God of Small Things*, would win the 1997 Booker Prize. His second film project, *Electric Moon,* was mostly financed by Channel 4, the *avant garde* UK television broadcaster. That 1992 film was the first Indian film shot using synchronized sound rather than studio dubbing. Channel 4 under-wrote his next project, the docu-drama called *Goddess of Flowers.* The screening in London yielded an invitation to show the film at the Cannes film festival.

The Cannes film festival 1994 selectors invited the screening of the project that followed, *Bandit Queen,* his unflinching portrayal of Phoolan Devi, the real-life female "bandit" who took up arms against exploitation of India's poorest people before being caught and serving 10 years in prison. Containing violence and nudity never before seen in Indian film, released internationally both in theaters and on tape, it solidified Bedi's stature as the Bollywood maverick. His 2003 *The Rising* was an historical epic about the late 19th century rebellion of native *Sepoy* soldiers against British rule. Bobby Bedi is making a *Lord of the Rings*-like series of epic films, television programs, photograph books, and merchandise drawn from India's traditional Vedic stories *Mahabharata.* Nothing so creatively and financially ambitious has ever been attempted in Indian film and he is counting on revolutions in Indian film distribution to pull it off. Frustrated throughout his career by stolen celluloid prints of his (and everybody else's) films before they even get to the movie theaters, by pirates with hand-held cameras in the movie theaters on release night, and by thousands of unlicensed cable operator-pirates, Bedi encourages

his industry to embrace the digital revolution: Shoot and edit the film with digital equipment; send the encrypted film by satellite to movie theaters equipped with digital projectors. To top it off, renovate the theaters to make them go-to entertainment experiences for the fast-growing educated middle class.

Aditya Chopra, Film Producer: Aditya Chopra became a presence in Bollywood filmmaking when, at the age of 17, he contributed creatively—rather than merely as a kid go-fer around the set--to his father Yash Chopra's film *Chandhi.* The son encouraged the father to offer the lead role in his next project, *Darr,* to an unknown actor, Shah Rukh Khan. Shah Rukh Khan became among the biggest stars in Bollywood, playing the lead in six YRF Studio blockbusters over 15 years. The son would also direct; his debut film in 1995 *Dilwale Dulhania Le Jayenge* (Braveheart Will Take the Bride) broke every box office record in Bollywood history and continues its run, still playing in a Mumbai theater in its 15th year.

The son, like the father, is a story-teller. But, Aditya Chopra gives even more attention to developing the characters on screen. Despite success as a director, it is in the role of producer that Aditya Chopra is having impact on Bollywood filmmaking. Over the past decade he produced a number of young talented directors, including Sanjay Gadhvi, Shimit Amin, Kunal Kohli, Shaad Ali, and, the best-known of all, Karan Jahar. His strategy: Provide moderate budgets but maximum creative independence to the directors; innovate promotional and distribution strategies. Seeking "cross-over" success beyond the international Indian diaspora, Chopra screened his young director Kabir Khan's recent film at several international film festivals. He co-branded *My Name Is Khan,* directed by Karan Jahar and featuring superstar Shah Rukh Khan, with Reebok. The film shattered Indian theater revenue records in early 2010 and

will be internationally distributed. He has made YRF Studio the biggest Indian film distributor and one of the biggest in the world, according to a global survey by *Hollywood Reporter.*

Sanjiv Sharma, Television Producer: Sanjiv Sharma was a young staff member at Mumbai office of the international advertising agency Ogilvy when he teamed in 1984 with a recent MIT graduate, Mansoor Khan, who had brought home video editing equipment. Television advertisements in India in those days were shot and post-produced in 35mm film over a period of three weeks, but their plan was make video-based television ads and deliver to the client the next day. When they did it, they revolutionized TV advertising in India and their advertising business grew when cable TV arrived in the early 1990s, superceding the education-oriented government broadcast monopoly Doordashan.

But, Indian cable television provided no entertainment excitement until *Who Wants to Be a Millionaire* became a huge hit in 2000. Identifying not a one-hit wonder but a revolution in Indian television, Sharma and a television writer co-founded Optimystix Entertainment. They got the contract with Star TV to produce the Indian version of *Let's Make a Deal*, the American TV show famous with its long-time host, Monty Hall. They made it an Indian market hit, then made another hit for Star TV with *Night Fever,* a karaoke show—a live show, performed on a 360-degree stage, with a dancing-along audience, so the many cameras challenge producers. Sony licensed the rights to *Idol* for the Indian market and Sharma, his company's reputation for skillful production of programs that could turn chaotic in the wrong hands, won the contract in 2005 to produce *Indian Idol*, which became the biggest hit ever in Indian television. With *Comedy Circus* they created their own concept, teaming a "soap" star with a comedian to perform as a duo with a live audience, and sold it to Sony TV. The show was—and is—a hit, airing every Saturday night at 9:00 in the evening since 2008. Despite these cable TV market successes, big opportunities for

growth are tied to better cable TV regulation by the Indian state, which estimates that most of the about 70,000 cable TV operators in the country do not pay license-fees for the creative content that they show.

Atul Churamani, Music Producer: Atul Churamani graduated with a degree in economics from Delhi University and became a journalist at *The Weekly Sun*, writing about sports, film, and music. Becoming interested in the business of music, in 1987 he joined CBS Gramophone Records and Tapes India. After 18 months he left to join a local startup, Magnasound, which had the exclusive license to distribute Warner Music artists. Not just Indian music, but international music was sold at the time in India on cheap poor-quality cassettes that were released months after original release in the United States and the United Kingdom. But, by then pirates had already sold lots of cheap copies. They innovated to distribute the music on high-quality cassettes in attractive packaging timed with international release dates. Not only did they sell lots of Michael Jackson cassettes, but they made Tracy Chapman's debut album a big (legitimate sale) hit in India. Then when Star TV launched MTV they saw the opportunity to innovate Indian music promotion and marketing: They produced one video of Jasmine Bharucha singing in English; the produced a second video of Baba Sehgal singing in Hindi. The videos were hits and Sehgal's album *Thanda Thanda Pani* sold 750,000 copies, the most ever in the history of Indian pop music. Over the 1990s they found talented artists and sold them to the growing Indian middle class youth through music videos, creating million-selling albums.

In 2002 he joined Saregama India, Ltd., a company founded in 1901 by EMI Music but that had become Indian-owned in 1985. Churamani saw that the strategies that had allowed them in the 1990s to succeed despite pirates were no longer effective in the 2000s: Perfect-copy pirated digital CDs and illegal down-loads were grinding the business down. For the Indian

music listener Churamani put together a business strategy that emphasizes concert events. They are also seeking royalty compensation from Indian hotels and businesses that play their music. Churamani seeks international distribution, though not merely to the global Indian diaspora. Saregama compiled a CD collection of Indian music called *King Khan* that spent 12 weeks on the German charts. They licensed a song to the American band Black-Eyed Peas that became the most listen-to song in the world, according to BMI, in 2006. They teamed Sonu Niigaam, one of their biggest stars, in 2008 with the City of Birmingham Symphony Orchestra for a series of sold-out concerts that were satellite distributed by Sony TV. But the biggest distribution strategy innovation of all for Saregama owes to Churamani's observation that mobile phone usage in India was rising by 12 million per month (16 million at this writing) and that young middle class people were the biggest users. He sought exclusive collaborations with mobile phone campanies, such as the deal that released the new album, *Time Travel*, from Sonu Niiigaam exclusively on one Nokia phone model. Finally, Saregama has million-sellers, again, but not in CD format.

Discussion: Filmmaker Bobby Bedi is a maverick determined to take Indian film in new directions. His films have explored serious themes, sometimes in ways shocking to Indian cultural sensibilities. He has been funded by UK sources and has made his films for the educated global Indian diaspora and the sophisticated audiences of London, Cannes, and New York.

C.K Prahalad (2005)

CONCLUSIONS

Development economists are increasingly embracing entrepreneurship and innovation as drivers of growth (Hausman and Rodrik, 2003).

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[1] India is geographically large and culturally diverse, so film, television, and music production takes place in other parts of the country, but this study focuses only on the Mumbai cluster.

[2] *Who Wants to Be a Millionaire?* played central to the story in the Academy award-winning global blockbuster *Slumdog Millionaires.*