

Clip: 1 of 1

### ONLINE MOVIE RATINGS

# Get Them ★★★☆struck



**Ramendra Singh**

Movies are experiential services and, at the same time, also subjective, emotional and intangible in nature. So, consumers often find it difficult to estimate the value they may derive from it even after spending a substantial amount on purchasing movie tickets.

In the light of the above, consumers often find it easy and convenient to rely on external sources on which they can rely before they decide whether to go for watching movies in the theatres or even before renting a DVD movie. One important source is word of mouth of other people who have watched the movie before and are ready to share their experiences — either good or bad — with others.

Current research shows that as many as 65% of movie consumers rely on movie ratings — at least four reviews — on movie-rating websites such as Rotten Tomatoes or filmratings.com before taking the final decision on which film to watch, or if at all they should watch a particular movie.

A visit to a movie-rating webpage would show the following information: the average movie rating on a scale of 10, the number of reviews, how many reviews are good and how many bad. There is also a critic's consensual view, and an audience score in terms of what percentage of customers liked it. The website also provides open-ended critique as well as audience review comments, and a separate section on friend ratings.

There is also a discussion forum. With so much information on movie ratings and comments about the movies, there is little chance that any po-

tential moviegoer can go wrong in making a decision on whether to watch the movie or not.

According to a KPMG study in 2011, the Hindi film industry — Bollywood being the world's sixth-largest movie industry — is around \$1.4 billion (projected to rise to \$3 billion in 2016) in boxoffice revenues. It is estimated that more than 1,700 feature films are produced in India each year, the highest number in the world.

There are several products and brand placements riding on the success of such Bollywood blockbusters. Shah Rukh Khan's Ra.One, for instance, had more than 30 brands sponsoring the movie production in return for product placements in the film.

If you include China — the second-largest movie market after the US with boxoffice revenues of \$2.2 billion — India and China constitute one of the largest movie markets in the world. In a recent research article, 'Online Movie Ratings: A Cross-Cultural Emerging Asian Markets Perspective', published in the journal, International Marketing Review, Hean Tat Keh, Wenbo Ji, Xia Wang, Joseph A Sy-Changco and myself investigated the effects of the volume of movie ratings

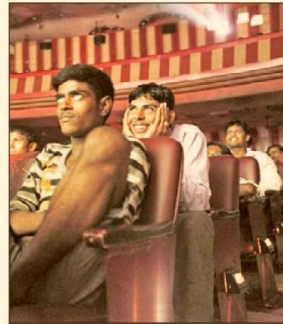
and the valence (positive or negative ratings) of online movie ratings on consumers' risk perceptions and purchase intentions.

We found that when there are lots of movie ratings available, the consumer's perceived risk of watching the movie goes down and she is more likely to go to the cinema. Moreover, we found that Indian consumers being more conservative than their Chinese counterparts need to see more movie ratings before they take the final decision of watching a film.

The implications for movie distributors as well as movie producers is that Indian filmgoers need more information on the valence and volume of movie ratings before they can decide whether to watch it or not. To increase the volume and valence of movie ratings, distributors must incentivise filmgoers to post their movie ratings and reviews on movie review sites. This is similar to travel sites such as Trip Advisor motivating tourists to post their travel experiences of places and hotels they have been to. Key opinion leaders must also be identified and their opinions mobilised and leveraged to make the film more successful.

Film ratings play a very big influential role when it comes to the success of movies. This is primarily because movies are sequentially distributed and have short life cycles. Films are first released in the multiplex theatres, followed by rental firms, and finally to entertainment channels on television.

This sequence of distribution has a huge impact on the profitability of movie producers, since revenues in the previous round of distribution impacts the subsequent revenues. Ensuring high volume and valence of movie ratings is like managing a media campaign where not just advertising, but also the word of mouth of existing consumers often plays an equally influential impact on the success of films.



**Matinee, to be shaken and stirred**

*The writer is professor, IIM-Calcutta*