

Slide 1: Title

Producing Bollywood: Sustainability and the impacts on Auckland's cultural economy

Introduction

This paper examines the variety of ways event producers, as entrepreneurs; depend on relationships to create and maintain local and global networks that contribute to local and transnational cultural economies. Cultural economy in this context is considered as Pratt suggests: "a set of socio-economic relations that enable cultural activities" (2008, p. 49). Recently produced events have had a significant impact on the local cultural economy challenging the economic and cultural sustainability of Auckland's Indian commercial event market.

Some entrepreneurs are able to produce events that can be considered not only successful; normally measured by profitability and rave reviews, but also considered to be sustainable. Sustainability, in event management, results from a variable combination of economic feasibility, improved reputations for producers and/or artists, ongoing relationships among producers and others in the event industry, and production skill competency (Pernecky & Lück, 2013). I suggest that the continuous formal and informal processes, systems, structures, and relationships of cultural activities create production networks that contribute to the sustainability of local and global cultural economies.

To set the scene I begin with a brief overview of Auckland's rapidly growing Indian population and the scope of commercial event produced. I will conclude with a case study that demonstrates dramatic changes in the sustainability of producing Bollywood star shows in Auckland.

Slide 2: Migration

The Background

New Zealand's 2013 census identified that the resident population had grown to 4.24 million and that ethnic diversity is on the rise in New Zealand, predominantly in Auckland. NZ's Indian population has increased by 48 percent, to a 2013 total of 155,000. Within that group, the largest regional growth is among those who identified themselves as Hindi or Panjabi speakers. This growth in migration in the 'Indian' category directly relates to the concerted efforts of Prime Minister John Key and his government. Over his six years in office Key's administration has implemented policies targeting business relationships with India as well within the tertiary education sector actively seeking International students

from across Asia. Many of the new migrants have arrived as international students while others as skilled workers from major Indian cities as well as Africa, Europe and North America. The 2003 Skilled Migrant Policy has made it easier for applicants in these categories to gain residency in New Zealand.

SLIDE3: Tertiary Sector

SLIDE 4: Student Enrolments

Auckland is the preferred destination for the majority of these migrants. Many of the rising population of Panjabi speakers are international students at Private Training Institutions and Technical colleges studying and/or living in central Auckland while those at Universities tend to be more commonly from South India and embrace more traditional Hindu values. The statistics indicate that increase from 3,855 in 2006 to 12,358 in 2011 and a predicted figure of over 15,000 by the end of 2014.

The Transforming Performance Scene

These new arrivals have brought with them new performance perspectives that challenge the more traditional concept of 'Indianness' practiced by the longer term residents. Many of their families and their friends' families take a liberal approach to parties and relationships in strong contrast to more conservative members of the Indian community. The international students arriving without parental guidance have no restrictions placed on their social activities.

There are many cultural organisations affiliated by the diversity of languages represented in this data who create events that serve the traditional function to network and produce opportunities to preserve the culture of their original homelands in the cultural site of their new homes (DeSouza, 2011; Turino & Lea, 2004; Vertovec, 1997). This is in contrast to the influx of new migrants that includes a population wanting an alternative cultural experience available in other global cities with large Indian populations.

Slide: Snapshot

To get a glimpse of market potential I offer a comparison of estimated audience sizes at commercial events featuring overseas performers produced in Auckland between January 2011 and June 2012. It is clear that Bollywood dominates the market although not all Bollywood events can be considered economically successful. These events require large support from the public as audience, sponsors and word of mouth publicity if they are to break even, or generate profit. Because most target an Indian audience exclusively, their

potential audience pool is limited by the size of the Indian communities and those willing and able to pay for tickets. Head counts are approximate unless the event has sold out. Even then it is difficult to know how many tickets were given away to sponsors, friends and family although by comparing stories it is possible to have a general idea.

The first six months of 2012 featured the highest number of Indian produced commercial events recorded in the history of Auckland. Large Bollywood shows dominated the scene alongside a smaller but steady market for Theatre and DJ Mix/Hip Hop/Rap events in the Club scene. Of the 30 events in this figure, roughly a third each made a profit, broke even and incurred a loss.

During this period, new players had emerged, trying their hand at producing commercial events and risking large amounts of money. From the outside, successful events appear to be a lucrative venture for those settling into their new communities. Many arriving are inexperienced and find they are competing with those with previous event production industry experience in Auckland and/or overseas and unable to fathom the transition to the small market of Auckland ([Leckie, 2010](#); [Lewin et al., 2011](#)).

Attracting audiences large enough to make a profit is a skilled business and requires the trust of stakeholders built on reputation. Reputation plays a major factor not just for producers but also for musicians, venues, sponsors, politicians and others involved stakeholders ([Gerstin, 1998, p. 386](#)). Reputation is a crucial form of 'power' that plays a significant role in the longevity of sustainable production networks. Naturally, some producers were more successful than others- those with previous experience and local knowledge were distinctly advantaged. Some individuals lost significant amounts of money, gave up the event business and/or and left the country.

Roughly 5% of commercial events that are entirely economically self-sufficient and most producers rely on a set of commercial relationships, including sponsorship and vendor fees to supplement the revenues generated by the event itself. Producers generate this economic activity through a variety of relationship networks often empowered by their personal reputations in the local as well global communities based on mutual self-interests and the potential for mutual economic benefit.

SLIDE 6: Four year comparison

Over the past four years there has been a significant rise and decline of commercially produced Indian events in Auckland. It is clear that despite the growing population something dramatic has happened. Until 2012, the number of events and genres presented had been steadily growing as had the number of producers and the size of the Indian community in general. Placed in this four year context it is clear that the current market has diminished. This is due to one 2013 global Bollywood promotional film tour, stopping in Auckland, featuring the Bollywood super star Shahrukh Khan that left many out of pocket and unwilling to take further risks.

Even though it is apparent that there are now fewer events, with the growing population and role Bollywood plays in the lives of Indian communities throughout the diaspora, one cannot argue there is less of a demand for Bollywood shows. As Rajadhyaksha (2003) has pointed out the 'Bollywoodization' of the Indian cinema serves as a mediated form of cultural nationalism in the global arena of Indian migration.

Bollywood Tours

Bollywood performers have realised that they can amass significant amounts of money by performing in live shows in centres with large South Asian populations around the globe. According to Derek Bose almost every top male star has floated an event management company either in his own name or in proxy. All of them are heavily booked several months in advance, primarily because of the high trust value they command with their overseas associates who, in turn, be assured of a high profile star participation (2006 p.100). Facts around the lucrative outcomes of these tours for the producers and the Bollywood stars is sketchy although recent newspaper articles, reports and blog spots give an indication of the fees the stars charge and potential profit capabilities for the producers of global tours. Bollywood stars play a major role in the sustainability of the Indian global cultural economy.

SLIDE KPMG

This chart indicates economic realities of the media and entertainment industries in India compiled recently for the global financial advisors KPMG and their Indian offices. The statistics show that the music side of the creative industries is on the decline although expected projections over the next five years an industry growth of 13.2% is expected. What is significant in this context is that the report indicates that "the vibrant live events sector is

expected to continue its role as a catalyst for driving growth in artists' fan-base, and public performance royalties"(FICCI-KPMG, 2014, pp. 2-4).

Producing Shahrukh Khan and the sustainability of the local event market

SLIDE 7: Happy New Year

Bollywood actor Shahrukh Khan is perhaps the most well-known and expensive of the Bollywood performance stars who regularly tours the globe. Khan is estimated to be worth \$(US) 600 million. Immensely popular around the globe as well as in his home country, India, Khan is also a producer, TV host, co-owner of an Indian cricket club and a philanthropist." ([Sinha, 2014](#)) . Khan is a regular feature in events usually referred to as Bollywood star shows, that feature 2 or more popular actors, troupes of dancers and musicians, and often comedians as well and that earn considerable sums through tours of Indian diaspora centres.

Bollywood star shows represent a vastly competitive and potentially profitable side of Indian event production. It is hard to capture accurate data about this side of the business; but unverifiable press reports are indicative of the scope of potential profit. The Mumbai Mirror, for example, has reported that the 2014 Shahrukh Khan *Happy New Year* promotional film tour is expected to reap almost Rs 200 crore (roughly \$33.5million USD) for 25-30 shows worldwide ([Lalwani, 2014](#)). An average show includes a \$1million fee for a live performance and \$250,000 USD for a public performance. Although such events involves great financial risks, they are the most reliable path to economic success in Indian cultural event industry and offer the chance of substantial profit.

In late 2013, a young entrepreneur attempted to build his personal fortune by bringing Shahrukh Khan to Auckland. Unfortunately, the show proved to be disaster for almost all concerned. The aftermath of the event created chaos in the local event scene and ultimately forced its producer, Agastya, to flee Auckland for Australia.

SLIDE 8: Temptation Reloaded

Agastya is placed as the producer identified in the centre of the Producer Network Map. As this information is a matter of public record I am not hiding his identity. He arrived in Auckland as an international student from Bangalore over ten years ago and has been the sole producer of a number of successful events and part of numerous successful production teams. He thus began the Shahrukh Khan project with a good reputation and a high level of

community trust gaining support from variety of crucial stakeholders indicated in the Producer Network Map. This was the first and so far only Indian produced event to be staged in Auckland's major event stadium, Vector Arena, which has a capacity of over 10,000 seats.

The local DJs (highlight map) are friends of Agastya's, who met at university and ran events as members of the Indian Students Association bringing overseas DJs such as Mumbai based DJ Suketu 2009. Agastya and Limelight Entertainment produced events together over the years including DJ Mix, cultural festivals and Bollywood star shows, enjoying accolades in the Indian press and lucrative profits. At the event, Agastya's DJ friends had the opportunity to perform on the big stage and gaining cultural prestige through their association with this major star.

SLIDE 9: SRK and PM

Agastya prepaid Khan by funds mostly borrowed from local Indian businesses. Temptation Reloaded was a lavish show with tickets ranging from \$199- \$650. The night before the show Khan joined Prime Minister John Key and his political inner circle to dinner at the Pullman Hotel. The dinner turned into a huge publicity bonanza for the Prime Minister when the dinner was widely reported by the press and through social media platforms.

Due to an expanded guest list including many friends of Agastya, Khan demanded an additional prepaid public appearance fee estimated over of \$300,000. The event offered attendees the opportunity to network with top government and industry representatives opening potential future opportunities to attract big name Bollywood stars to Auckland. This turned out to be not the case.

SLIDE 10: Vector

According to newspaper accounts and my personal observation, approximately 8500 people attended the performance. Instinctively, this appears to have been a positive outcome; it would have been easy to think that the event had been a success and be a boon for the local cultural economy. The reports in the Indian and mainstream press have carried conflicting stories about the aftermath of the event. What seems to be clear is that over \$850,000 is owed to local creditors and that Agastya's event company was forced into liquidation. The Liquidators have not made public a breakdown of who is owed what, other than Inland Revenue which is owed \$6765 in GST, levied at 15%, indicating that Inland

Revenue has recorded transactions equalling only \$51,788. Other creditors include three banks, an Eftpos business, a travel agency, a major media company and assorted individuals, mostly members of the local Indian community.

The actual economic outcome remains unclear. Because of poor or missing records, and possibly because of deliberate misconduct, no one will ever know if anyone, other than Shahrukh Khan and his associates, made any profit from this event. It is possible that profits may have been siphoned off; it is certain that loans have not been repaid. What is more important still is that the sustainability of the commercial event networks have been compromised resulting in the number of performances plummeting.

Outcome/Conclusion

SLIDE 11: Growth and Decline

It appears that nearly \$1million dollars has been removed from the local economy, and that stakeholder relationships have been severely disrupted if not severed. Many potential event supporters are out of pocket resulting in a downturn of Bollywood star shows and an increase in small community based events featuring local performers. Only one of the four events produced this year can be considered a commercial success.

SLIDE 12: GM

Pankaj Udhas a popular Ghazal singer of the 1980s and 1990s and Sunidhi Chauhan, a major Bollywood Playback Singer, lost considerable amounts of money due to poor ticket sales. Chauhan in 2012, attracted a full house- this could be attributed to the tickets higher ticket prices and a less popular venue.

Gurdas Mann, the Panjabi Bollywood legend, sold out a popular 6,000 seat venue generating a substantial profit. This proves again the popularity of Bollywood performances with Panjabi content¹ attracting significant support from Bollywood fans drawn on the nostalgic, reflecting a global trend in other cities with large Indian populations.

SLIDE 13: FB

Panjabi Bollywood content is also found in the growing club scene featuring DJs and Hip Hop targeting the young, urban and chic market. DJ Areeb and DJ Charlie leveraged their careers by association as performers with Shahrukh Khan and now feature themselves

¹ The popularity of the Panjabi-ization of Bollywood cinema beginning with the films of Yash Chopra as noted by Rachael Dwyer (2002), Raj (2006) among others.

as stars to a regular night club clientele bringing overseas performers when available recreating “breath taking top nightclub environment of Mumbai and Delhi presenting Bollywood-DJ-Fusion”. They produced the fourth event of 2014, presenting the Mumbai based, London born, DJ Jay Sean. Due to a last minute cancellation we are unable to know what the success although Facebook indicated enough presold tickets to make a substantial profit.

To conclude, I would like to suggest that producers have emerged capturing international students and local youths craving a thriving Bollywood-oriented club scene. The lucrative club scene profits are based on alcohol and food sales keeping entry tickets low. This is in contrast to the Bollywood performance model that relies on sponsorship and ticket sales to break even. Although potential audiences for Bollywood star shows are on the rise the major sponsors have disappeared in the wake of Agastya. The market for overseas Bollywood performers remains volatile and currently has little appeal for new arrivals. It may be awhile before anyone attempts to fill the 10,000 seats at Vector Arena. At the same time Shahrukh Khan continues to grow his empire.

SLIDE 14: Areeb