

# Sustainability of the Bangladeshi Film Industry: A Study on Pricing, Revenue Generation and Revenue Sharing Mechanisms

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## ABSTRACT

Film production is a high-risk investment where financial uncertainty usually discourages new investment. Producers, distributors and exhibitors all play important roles in the financial process that occurs from film production to post-screening. This study aims to examine the pricing process of films in Bangladesh and its impact on revenue generation while analyzing the existing revenue-sharing system and its effects on producers, distributors, and exhibitors. It also seeks to identify the challenges faced by film producers in recovering investments and generating profits, and propose a sustainable and transparent revenue-sharing framework for the industry. This study has taken interpretive stance and followed a qualitative approach. Also, it has examined the literature as a secondary source of data as well as an in-depth interview method for primary data collection. Bangladeshi film industry faces noteworthy problems in revenue generation and sharing due to a lack of transparency, an obsolete system and immoral practices. Though new revenue streams like OTT platforms, music rights and film exports have emerged, issues like under-reported ticket sales, unfair revenue sharing agreements and cash-based transactions have hampered the progress of Bangladesh's film industry.

**Keywords:** Bangladesh, Film Pricing, Revenue Generation, Revenue Sharing, Transparency.

## INTRODUCTION

Pricing is an essential factor in the film industry of Bangladesh, like every other industry, which generates revenue. Producers, filmmakers, and distributors typically sell films to single-screen theaters and multiplexes through fixed rental, minimum guarantee, or percentage sharing models<sup>1</sup>. On the other hand, movies are sold on TV channels, OTT platforms or other platforms at a fixed price subject to negotiation. Audiences watch films at theaters by purchasing tickets, by paying subscription fees at OTT platforms, mobile operators, and free at television channels.

The existing film pricing and revenue-sharing mechanism is often criticized for limiting the income of producers and increasing the income of cinema owners. Under-showing as ticket sales, unfair deduction of various charges, and injustices in revenue-sharing make it difficult for film investors to recover their investment. As a result, new investment in film production decreased.

The film industry of Bangladesh is like a dark area. No information is available here appropriately. Apart from that, there is no way to get accurate information about the commercial success or failure of any movie due to the lack of a box office reporting system. Although the producers, distributors, and exhibitors have this information, they refused to disclose details about the production costs and income of any movie citing business secrecy. Similarly, cinema halls or multiplexes declined to give the information about how many tickets to sell to reach breakeven or how many tickets are sold of a particular film. As a result, it is impossible to determine the accumulated income from a specific film.

<sup>1</sup> Saiyeed Shahjada Al Kareem, "Film Distribution Process in Bangladesh: Loopholes And Suggestions For Establishing An Effective Distribution System", *IOSR Journal Of Humanities And Social Science (IOSR-JHSS)*, Volume-22, Issue-12, 2017, p.59. <http://iosrjournals.org/iosr-jhss/papers/Vol.%2022%20Issue12/Version-8/I2212085762.pdf> visited on 28.08.2019.

## LITERATURE REVIEW

Pricing is an essential component of the marketing mix, (that is, 4Ps, product, price, place and promotion), which generates revenue<sup>2</sup>. Film-related research in Bangladesh lacks a business perspective. Some studies have been done on new media marketing of film, problems and prospects of film distribution in Bangladesh, workforce development in the film sector in the digital age, etc. Besides this, some scattered opinions could be found in some books, writings about film pricing, revenue generation and revenue sharing procedure. These research works, published books, and journals give some idea, but not sufficient to understand film pricing, revenue generation and revenue sharing process in Bangladesh.

Haq and Nasrin, in their essay ‘Bangladesher Chalachchitra: Sangkatsutra o Uttaranprokalpo’, have identified the roots of the crises of Bangladeshi film industry. They have analyzed how the Bangladeshi film industry has gradually been ruined<sup>3</sup>. Mahmud et al. also, in their conference paper, ‘Present Scenario and Possible Scope of Film Industry: a Case Study on Bangladeshi Film (Dhallywood)’<sup>4</sup>, tried to outline the present condition of the Bangladeshi film industry. They also sketched out some of the shortcomings in the Bangladeshi film industry, as well as customers’ expectations from the industry<sup>4</sup>. Similarly, Kareem has found some loopholes in film distribution system in Bangladesh. In his study ‘Film Distribution Process in Bangladesh: Loopholes and Suggestions For Establishing An Effective Distribution System’, he provided some suggestions for improving this scenario<sup>5</sup>. Additionally, Ahsan has shown in his work, ‘Integration of Digital Technology in the Film Industry of Bangladesh: Readiness and Response Functions’ that Digital Technology can be a solution for resisting the declining situation of the Bangladeshi film industry. But the adoption process is not advancing as required<sup>6</sup>. Ahsan and Dudrah, have further conducted research on workforce development in the Bangladeshi film industry in this digital age, titled, ‘Bangladesh Film Industry: Challenges and Opportunities of Workforce Development in the Digital Age’<sup>7</sup>. Moreover, Hossain et al. have also tried to find out problems of Bangladeshi film industry as well as have recommended some solutions against those problems in their research paper, ‘Hidden Brightness of a Dark River: The Problem and prospect of Film Industry in Bangladesh’<sup>8</sup>. Yasmin has carried out a research on contemporary Bangladeshi commercial cinema. She has tried to feel the pulse of the young generation in Bangladesh, specifically their attitude towards Bangladeshi commercial cinema<sup>9</sup>.

As a research area, film marketing has been given less attention in the film industry of Bangladesh. Similarly, the film business, promotion, sales, pricing, revenue generation, and revenue sharing process etc. in the film industry of Bangladesh have been analyzed in a small scale. Md. Arifur Rahman Khan has discussed the prospect and importance of New Media Marketing, which is becoming popular for promoting film in

<sup>2</sup> Philip Kotler et al., *Marketing Management* (14<sup>th</sup> edn.; Harlow: Pearson Education Limited, 2015), p. 23 and Philip Kotler and Gary Armstrong, *Principles of Marketing* (15<sup>th</sup> edn.; Global Edition, Harlow: Pearson Education Limited, 2014), p.312.

<sup>3</sup> Fahmidul Haq and Giti Ara Nasrin, “Bangladesher Chalachchitra: Sangkatsutra o Uttaranprokalpo”, Edited by Fahmidul Haq and A-Al Mamun, *Yogayog*, Issue-11 (December 2013), pp. 63-81.

<sup>4</sup> Shahed Mahmud et al., “Present Scenario and Possible Scope of Film Industry: a Case Study on Bangladeshi Film (Dhallywood)”, *International Conference on Mechanical, Industrial and Materials Engineering 2015 (ICMIME2015)*, RUET, Rajshahi, Bangladesh. [https://www.researchgate.net/publication/286774996\\_Present\\_Scenario\\_and\\_Possible\\_Scope\\_of\\_Film\\_Industry\\_a\\_Case\\_Study\\_on\\_Bangladeshi\\_Film\\_Dhallywood/link/566d7b9608ae62b05f0b1e48/download](https://www.researchgate.net/publication/286774996_Present_Scenario_and_Possible_Scope_of_Film_Industry_a_Case_Study_on_Bangladeshi_Film_Dhallywood/link/566d7b9608ae62b05f0b1e48/download) visited on 29.08.2019.

<sup>5</sup> Saiyeed Shahjada Al Kareem, “Film Distribution Process in Bangladesh: Loopholes And Suggestions For Establishing An Effective Distribution System”, pp.57-62.

<sup>6</sup> Muhammad S Ahsan, “Integration of Digital Technology in the Film Industry of Bangladesh: Readiness and Response Functions” (Ph.D. diss., University of Manchester, England, 2012). <https://www.escholar.manchester.ac.uk/uk-ac-man-scw:155067> visited on 28.08.2019.

<sup>7</sup> Muhammad Shajjad Ahsan and Rajinder Dudrah, “Bangladesh Film Industry: Challenges and Opportunities of Workforce Development in the Digital Age”, *The Jahangirnagar Review*, Vol. XXVI, 24 February 2017 pp.147-173. [https://www.researchgate.net/publication/303256316\\_Bangladesh\\_Film\\_Industry\\_Challenges\\_and\\_Opportunities\\_of\\_Workforce\\_Development\\_in\\_the\\_Digital\\_Age/link/58b00bc8aca2725b54125d33/download](https://www.researchgate.net/publication/303256316_Bangladesh_Film_Industry_Challenges_and_Opportunities_of_Workforce_Development_in_the_Digital_Age/link/58b00bc8aca2725b54125d33/download) visited on 28.08.2019.

<sup>8</sup> Md. Moulude Hossain, Mahmuda Rahman and Md. Joynal Abedin, “Hidden Brightness of a Dark River: The Problem and prospect of Film Industry in Bangladesh”, *COSMOS International Journal*, Volume I, Issue I, January 2013, Pune, India, [https://www.academia.edu/Documents/in/Film\\_Promotion\\_and\\_Marketing\\_Film\\_Studies](https://www.academia.edu/Documents/in/Film_Promotion_and_Marketing_Film_Studies) visited on 26.08.2019.

<sup>9</sup> Shegufa Yasmin, “Contemporary Bangladeshi Commercial Cinema: A Perspective from Young Generation of Bangladesh”, *ASA University Review*, Vol. 5 No. 1, January–June, 2011, Dhaka: Bangladesh. <https://vdocuments.site/download/contemporary-bangladeshi-commercial-cinema-a-perspective-> visited on 18.09.2019.

Bangladesh in an effective and cost-efficient way. These new media include social network sites like YouTube, Facebook, Twitter, Google Plus, and official website, as well as film-related website. Mobile phones, Computers, the Internet, and Telecommunication technology are used for New Media Marketing<sup>10</sup>. Similarly, a study conducted by Khan Ferdousour Rahman is ‘Bangladesher Cholochitro Shilper Banizzic Shorup Anushandhan’. It discusses the film industry from an overall business perspective. In this study some ideas about film pricing, revenue generation, and revenue sharing are discussed<sup>11</sup>. In addition, Kader has written a report on Prothom Alo English titled ‘What’s holds up e-ticketing and box office in Bangladesh?’ He attempted to identify the obstacles to implementing e-ticketing and box office reporting system in Bangladesh. He spoke to film industry stakeholders and concluded that with the goodwill of film producers, distributors, exhibitors, and legal support from the government, it is possible to introduce e-ticketing and box office reporting systems in the film industry of Bangladesh<sup>12</sup>.

Many research scholars have conducted their research work on various facets of Bangladeshi film, like film text, history, politics, art, and anthropological aspects, social, cultural importance of film, as well as present Bangladeshi film industry condition, its loopholes, and how it can be overcome, etc. Besides these, the film business, marketing, distribution, exhibition, pricing, and revenue generation are also studied by various scholars on a limited scale and over time, the revenue generation scenario in the film industry of Bangladesh has changed. The pricing system, revenue generation, and sharing system among the stakeholders of this industry require a thorough investigation for better understanding and finding a sustainable and transparent revenue-sharing framework for the film industry.

### Research Objectives

To examine the pricing process of films in Bangladesh and their effect on revenue generation.

To analyze the existing revenue-sharing model in the Bangladeshi film industry and its impact on producers, distributors, and exhibitors.

To ascertain challenges faced by film producers in recovering investments and generating profits.

To discover alternative revenue streams beyond traditional cinema hall exhibition.

To recommend a sustainable and transparent revenue-sharing framework for the film industry.

### METHODOLOGY ADOPTED IN THIS STUDY

This study has taken an interpretive stance. For conducting the study, the exploratory research method and design have been followed. “Interpretive refers to a broad and diverse category of research traditions that emphasize the use of qualitative data in exploratory and creative research designs”.<sup>13</sup> After reviewing the literature, it is observed that film pricing, revenue generation, and revenue-sharing mechanisms are not thoroughly analyzed in Bangladesh. This area requires thorough exploration for better understanding and clearer insight. As Malhotra, Nunan and Birks described, “exploratory research is meaningful in any situation where the researcher does not have enough understanding to proceed with the research project”<sup>14</sup>. This research has utilized discourse analysis for data interpretation from various interpretive traditions like “phenomenology/existentialism, ethnography, critical discourse analysis, semiotics, postmodernism/poststructuralism, literary theory, gender studies and others”<sup>15</sup>.

<sup>10</sup> Md. Arifur Rahman Khan, “Bangladesher Cholochitro New Media Marketing”, Edited by Dr. Mohammad Jahangir Hossain, *Bangladesh Cholochitro o Television Institute Patrika*, Year 2 Volume 1, December 2015, pp. 121-129.

<sup>11</sup> Khan Ferdousour Rahman, *Bangladesher Cholochitro Shilper Banizzic Shorup Anushandhan*, (Dhaka: Bangladesh Film Archive, 2016).

<sup>12</sup> Monzur Kader, “What’s holds up e-ticketing and box office in Bangladesh?” *Prothom Alo English*, (2024, October 29). <https://en.prothomalo.com/entertainment/movies/Oui8ftegu2> visited on 06.02.2025.

<sup>13</sup> Chris Hackley, *Doing Research Projects in Marketing, Management and Consumer Research* (London: Routledge, 2003), p.15.

<sup>14</sup> Naresh K. Malhotra, Daniel Nunan and David F. Birks, *Marketing Research An Applied Approach* (5<sup>th</sup> edn.; Harlow: Pearson Education Limited, 2017), p.72.

<sup>15</sup> *Ibid*, p.108.

## Research Approach

A research study may employ a qualitative approach, a quantitative approach, or both for data collection. It mainly depends on the requirements of the particular research problem to be solved. “The categories qualitative and quantitative are not mutually exclusive in research. Most research studies are a mixture of both with an emphasis on one or the other”<sup>16</sup>. Present study has emphasized mostly on qualitative data and to some extent quantitative data to support the qualitative interpretation.

## Data Collection Methods

For data collection, this research has used secondary as well as primary sources of data collection methods. This study has examined the literature as a secondary source of data. Additionally, this study has employed In-depth interview method for primary data collection, as it provides valuable insights and understanding about the research issue.

## Sampling Design

The respondents in this study are film industry stakeholders, including film industry experts, directors/filmmakers, financiers/producers, distributors, and exhibitors. Most of them are not easy to reach for an interview. Therefore, it requires convenience as well as judgement to select appropriate respondents so that they can be representative to the research objective. “Judgemental sampling is a form of convenience sampling in which the population elements are selected based on the judgement of the researcher.”<sup>17</sup> That’s why the study has followed the judgmental sampling technique.

## Sample Size:

Film Industry Experts-10

Directors/Film makers-10

Film Producers/distributors-10

Film exhibitors-10

In-depth face-to-face interviews were conducted with the respondents to gain a better understanding of pricing mechanisms, revenue generation and sharing mechanisms in the Bangladeshi film industry. All the questions in the questionnaire were open-ended, and sometimes detailed questions were asked to understand the answers better.

## Research Insights, Interpretation, and Analysis

Analyzing data obtained from in-depth interviews with respondents provides deep insights and explanations about pricing mechanisms, revenue generation and sharing in the Bangladeshi film industry.

## Pricing mechanisms from producer to exhibitor

In general, Bangladeshi film producers sell their films to single-screen theaters, multiplexes, TV channels, and OTT platforms. Film producers negotiate prices with these entities, and the pricing model for each customer group is tailored to be unique. The film pricing system for each customer group depends on various factors such as duration of the screening, location of the theater, budget of the film, star cast, and projected revenue etc.

In the Bangladeshi film industry, there are generally three types of agreements between producers, distributors,

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<sup>16</sup> Chris Hackley, *Doing Research Projects in Marketing, Management and Consumer Research*, p. 09.

<sup>17</sup> Naresh K. Malhotra, Daniel Nunan and David F. Birks, *Marketing Research An Applied Approach*, p.421.

and exhibitors when determining the price of films for single-screen theaters and multiplexes. These deals are commonly known as, (a) the Fixed Rental System, (b) the Minimum Guarantee (MG) system and lastly (c) the Percentage System<sup>18</sup>. Among these, in the case of single-screen theaters, different types of film pricing systems are seen as popular in different regions of Bangladesh. However, the percentage system is more commonly used in multiplexes.

Under the Fixed Rental film pricing system, if exhibitors want to screen a particular film, they must pay the producer or distributor a fixed amount for one week. Exhibitors have to take risks in this system. If the income from ticket sales does not exceed the fixed amount paid to the producer for bringing the film, then the exhibitors must bear the loss.

In the Percentage System of film pricing, the exhibitor pays a certain amount (which varies from movie to movie) to the producer to acquire the movie, typically for a week. Tickets sold to the audience are split between the exhibitor and the producer at a percentage fixed earlier. However, this share is done after the exhibitor deducts certain expenses. Additionally, the initial amount paid to acquire the movie is also deducted from the revenue. This percentage split depends on the bargaining power of the producer or exhibitor and is determined.

In the Minimum Guarantee (MG) film pricing system, the theater owner pays a certain amount of money as Minimum Guarantee to the producer, normally for a week. If the exhibitor is not able to earn that amount or more from the ticket sales, that is, in case of loss, the producer will not refund the guarantee amount. However, if the movie is successful and earns more than the minimum guaranteed amount, the excess revenue will be shared between the exhibitor and the producer according to the pre-determined percentage.

On the other hand, the pricing system for multiplexes in Bangladesh is normally based on the 'Percentage System'. In this system, the producer and the multiplex owner share the revenue generated from the film. Typically, the producer and the multiplex owner share the revenue in 55:45 ratios, where the producer receives 45% of the revenue and the multiplex owner receives 55%. Actually, the percentage is fixed based on the bargaining power of the producers or the multiplexes. At present, the bargaining power of multiplexes is more than that of the producers. It should be mentioned here that, this share is done after the multiplex deducts certain expenses like maintenance, taxes, AC bills, etc.

Television channel pricing is determined by the type of movie, its popularity and the popularity of the respective stars. Normally popular movie earns more from the TV channels and opposite picture is seen in the case of unpopular films. During the telecast of the film, the TV channels earn revenue by selling advertisement spots to various organizations. TV channels mainly generate revenue by selling ad space to advertisers based on factors such as time slot, popularity of movie, and target audience, etc.

The film pricing system for OTT platforms differs from that of single-screen theaters, multiplexes, or TV channels. Here, the common practice is to pay a fixed amount for a specific contract period. The OTT platform acquires a film from a producer or filmmaker for a period of usually 3 to 5 years. After this period, the OTT platform can either renew the contract for another 3 to 5 years or cancel it. Producers or filmmakers may then sell it to other entities. In some cases, OTT platforms produce their own movies. In such cases, filmmakers submit a budget for making the film. If the budget is approved, the filmmakers make the film on behalf of the OTT platform. In this case, the OTT platform retains the rights to the film for its lifetime. However, in some cases, producers or filmmakers may sell their film rights to OTT platforms for a lifetime, in which case the film costs more.

### **Pricing mechanisms from exhibitor to ultimate audiences**

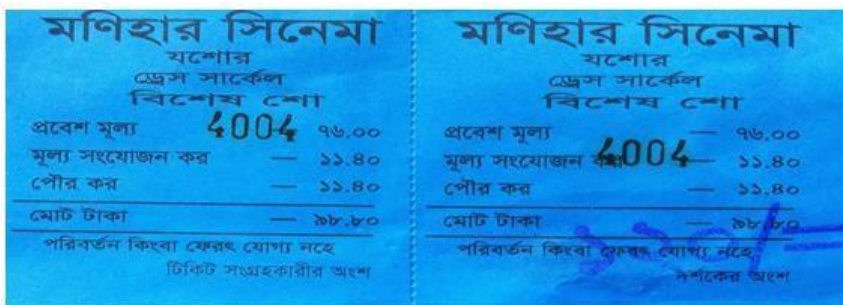
Bangladesh's film industry's primary mode of selling to ultimate audiences is through ticket sales at single-screen theaters and multiplexes and subscription fees on OTT platforms. Mobile operator companies in this

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<sup>18</sup> Saiyeed Shahjada Al Kareem, "Film Distribution Process in Bangladesh: Loopholes And Suggestions For Establishing An Effective Distribution System", p.59.

country do this through the sale of data packages.

Two types of ticketing systems are seen in the Bangladeshi film industry. Single-screen theaters use paper-based ticketing system and manual record-keeping. On the other hand, e-ticketing and digital record-keeping are observed in multiplexes. However, printed copies of tickets are also provided to audiences in multiplexes. Tickets are sold and recorded manually in single-screen theaters and this leads to problems of inefficiency and opacity in financial transactions. Conversely, e-ticketing allows customers to purchase tickets online and at the counter, which is convenient for viewers. At the same time, automated record-keeping in multiplexes provides transparency in ticket sales information. But since there is no box office reporting system in Bangladesh, it is not possible to get aggregate information about a film's earnings. As Kader reported, The box office collection of a film is not revealed even after a month of the film being released, let alone days or weeks. Producers just declare a random figure and the movie buffs have to be content with that.<sup>19</sup>



Ticket price is the primary source of revenue generation. Ticket prices vary depending on the atmosphere of the cinema hall and the film viewing experience they make available to the audience. In Bangladesh, single-screen theaters generally do not have a good atmosphere, and their audience consists mainly of middle to lower-class people. As a result, the financial status of the audience has to be taken into account while determining the ticket price. Also, film theater seating arrangements are usually divided into 4 to 5 classes. These are called First Class, Second Class, Third Class, Dress Circle (DC), Balcony etc. Ticket prices vary for these different classes of seating arrangements. On the other hand, multiplexes usually target middle-class to upper-class audiences, offer a better movie-going experience with improved ambience, air-conditioning and seating divided into several classes. Multiplexes allow viewers to choose from a wide range of films as they screen multiple films simultaneously. This is very attractive to the audience. As a result, ticket prices in multiplexes are usually 5 to 10 times higher than those in single-screen theaters.

The pricing system of OTT platforms is mainly based on subscription fees. These platforms usually charge monthly or annual subscription fees. These subscription fees vary across different OTT platforms, because the number and variety of movies on each platform differ. Some OTT platforms allow viewers to enjoy movies for a fixed fee to watch a particular movie.

Mobile operator companies in Bangladesh also provide OTT services to their customers. These services are usually offered as part of data packages. Pricing is fixed for specific data packages. Customers or audiences can purchase and use data packages according to their preferences.

<sup>19</sup> Monzur Kader, "What's holds up e-ticketing and box office in Bangladesh?"



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Pricing is a complex process in the film industry like any other industry. There are many factors to consider when pricing a movie. The budget of the film, star cast, target audience, marketing and distribution costs, and competition in the market, etc. are considered while taking pricing decisions of a film.

### Revenue generation

Although the primary source of income is ticket sales in theatres and subscription fees in OTTs, the film industry currently earns revenue from various other modes.

Selling movie rights to TV channels serves as an additional source of income for film producers and distributors. A film is usually released in theaters first. If a film becomes popular among audiences after its theatrical release, television channels often show interest in airing it. However, there are instances where a film premieres on TV first and then releases in theatres. As reported in The Daily Star,

‘Hothat Brishti’ (Sudden Rain), directed by the Basu Chatterjee, originally released on television in 1998, this joint production between Bangladesh and India successfully transitioned to the silver screen afterwards.<sup>20</sup>

The emergence of OTT (over-the-top) platforms has opened up another avenue of revenue generation for producers or filmmakers. These platforms have turned into more and more popular among the local as well as global audience as electronic devices become more accessible to the audience.

New income streams for producers and directors are currently created through film export, albeit on a limited scale. Bengali-speaking people are spread across different regions of the world. There is an opportunity to export Bangladeshi films to countries where the number of Bengali-speaking people is high. Additionally, quality films, using dubbing and subtitling, can be accessed by people in other languages.

Music occupies an important and essential place in the film industry of countries in South Asia. Popular movie songs also play an important role in revenue generation in the region, and Bangladesh is no exception. Several songs are used in Bangladeshi films, especially in commercial films. Producers can sell the rights of these songs to music streaming platforms, TV channels, telecommunication companies, and radio stations, etc. and can gain additional revenue.

### Revenue sharing system

Revenue sharing is an important issue in the film industry. There are many parties involved in revenue sharing in Bangladesh. Primary parties include film producers, filmmakers, distributors, exhibitors, various government bodies, and booking agents etc.

Producers in Bangladesh mainly finance the film. They basically bear the expenses incurred at various stages of film production. These include of pre-production, production and post-production stages. Besides, the producer also bears the marketing expenses of the film. As a finished product, ownership of the film remains with the producers. Even though they are entitled to a significant portion of the film's revenue, they do not get

<sup>20</sup> “25 years of ‘Hothat Brishti’ celebrated at Channel i’s office”, *The Daily Star*, Nov 19, 2023. <https://www.thedailystar.net/entertainment/tv-film/news/25-years-hothat-brishti-celebrated-channel-office-3473466> visited on 24.02.2025.

it in the Bangladeshi film industry.

On the other hand, distributors take the distribution rights of the film from the Producer. It then tries to ensure that it reaches the largest possible audience. They tie up theater owners, TV networks, and OTT platforms, etc. to screen the film. They get a percentage of the revenue from the film.

Among the film exhibitors, television channels and OTT platforms pay a one-time fee for acquiring and broadcasting a film. Therefore, the question of revenue sharing is not very applicable to them. They pay taxes to the government from their income. The issue of revenue sharing among all stakeholders is mainly related to cinema halls. They make revenue by selling tickets to audiences. They share that revenue with film producers, distributors, the government, local governments etc.

The government is also an essential party in revenue sharing. The government collects taxes on ticket sales and revenue generated by the film industry. Sometimes, local governments also levy taxes. The amount of this levied tax may vary depending on the specific regulations from region to region.

The last, but equally important, party is the booking agents. These booking agents act as intermediaries between film producers or distributors and theater owners. In return for this work they receive commission. As a result, they receive a percentage of the film's revenue.

Revenue sharing in the film industry as a whole is a complex process and involves many parties. Several irregularities have been alleged in the sharing of revenue earned from a film exhibition. The method of revenue sharing reveals that revenue is not always shared fairly among stakeholders.

A significant reason for the discrepancy is that most theaters still sell paper-based tickets in the traditional way. Complaints are received from film producers, directors, and distributors that they never receive precise information on ticket sales, and hence they do not get proper share of ticket sales. Most theaters in Bangladesh lack electronic or digital systems to track ticket sales. "Most of the theatres in Bangladesh do not have any electronic or digital system of counting how many tickets have been sold"<sup>21</sup>. Note that a distributor sends a representative to each theater to monitor ticket sales. However, the representative often accepts bribes from exhibitors and sends false information about ticket sales to the distributor, i.e., underrepresents the actual amount of ticket sales. As a result, producers, directors and distributors suffer financially<sup>22</sup>. Additionally, film exhibitors enjoy greater bargaining power in pricing and greater leverage in revenue sharing. As a result, the producers end up getting very little money and it becomes difficult for them to recoup the money invested.

Lack of transparency in revenue sharing creates mistrust among film-related individuals or institutions. As a result, it becomes difficult to establish and maintain long-term business relationships. Because of that, producers are hesitant to invest in new films and the Bangladeshi film industry suffers from a lack of investment. The number of film releases is decreasing every year.

Another problem with revenue sharing is that booking agents sometimes use the process for their own benefit. Single-screen theater owners still book new films through booking agents. When a booking agent books a theater for a movie or books a film for a theater, the distributor usually demands a certain amount of money for the film booking. The booking agent pockets extra money from both the parties in an unethical way. As Mamun said, "They would contract with the cinema owner for one price to run the movie in the cinema, and for another price they would get the movie from the cinema producer for the cinema"<sup>23</sup>. Such unethical behavior impacts revenue generation and sharing among stakeholders.

### **Challenges Faced by Film Producers in Recovering Investments and Generating Profits**

There is a prevailing perception in the industry that the survival of the Bangladeshi film industry depends on

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<sup>21</sup> Saiyeed Shahjada Al Kareem, "Film Distribution Process in Bangladesh: Loopholes And Suggestions For Establishing An Effective Distribution System", p. 60.

<sup>22</sup> Mir Shamsul Alam Baboo, "Untitled", interviewed by Mohammad Ali Sarkar, January 10, 2022.

<sup>23</sup> Belayat Hossain Mamun, *Manifesto of Independent Film Movement: Past, Present and Future of Bangladeshi Cinema* (Dhaka: Kathaprokash, 2019), p.23.

cinema halls; however, this study reveals a slightly different picture. This study discloses that producers or financiers have an essential role in sustaining the film industry in Bangladesh which is often not discussed. Cinema hall owners have significant bargaining power, frequently not reporting accurate ticket sales and withholding payments to producers. Unable to recoup the investment, many producers lost interest in making further films.

Another critical problem is the inequity in revenue sharing. The money that theater owners deduct in the form of various charges from the face value of the tickets before disbursing the revenue to the producers or investors is very little, which discourages future investment in films.

The money invested by the producers plays a major role in the screening and production of films in Bangladesh. But all the money earned from the show is taken by the cinema hall owners and exhibitors. As a result, the investor or the producer had to be afraid most of the time between the risk of financial crisis and loss of capital.<sup>24</sup>

There is no guarantee of income from film screenings in the Bangladeshi film industry. There is a lack of transparency in ticket sales and revenue distribution, making investment in film production extremely risky. Cinema halls in Bangladesh hold economic and commercial value, as they are located in key areas of the country. As a result, theater owners are able to reuse their properties for commercial gain and they are financially benefiting by constructing high-rise buildings, markets etc. On the other hand, producers face significant financial losses as there is limited opportunity to recover investment from the film industry, and at the same time, the industry is not experiencing sustainable growth.

There are cases where a new producer has made a successful film, but has not been able to collect the revenue due from the cinema hall owners. Usually it is because the theatre owners do not pay the revenue properly. Such a situation can discourage new producers.

It is important to note here that people in the industry often say that film or any other business is a continuous process. Producers who make films continuously can recollect their previous money. But it is quite challenging for a one-time producer to recover their investment.<sup>25</sup>

Furthermore, film producers or financiers in this country do not get much recognition for their contribution to the film industry. Although filmmakers or actors and actresses get reputation in films made with producer money, producers do not get due credit for their investment in the film. As a result, a lack of financial success and no recognized position of respectability in society, producers are not interested in making films regularly, which creates significant obstacles in the way of the sustainable growth of the film industry in this country.<sup>26</sup>

## Analysis

In the Bangladeshi film industry, different types of power practices are observed among various stakeholders. These power practices or bargaining power create interrelationships between them. The dominant ideology throughout the film distribution channel is commercial viability of the film and it is determined by the channel members like distributors, booking agents, theater owners etc.

A power relationship exists between cinema hall owners and film directors, producers, where cinema hall owners hold more power. They show movies as they wish. In this case, film directors and producers are at the mercy of movie hall owners. They are keen to screen only those films that they think will be commercially successful. Cinema hall owners also have significant control over the revenue-sharing process as discussed above. This power imbalance is affecting film directors and producers day by day, and cinema hall owners are able to assert their authority and influence over revenue distribution.

<sup>24</sup> Ahmed Aminul Islam, *Bangladesher Cholocchitro Cholocchitre Bangladesh*, (2<sup>nd</sup> edn.; Dhaka: Bhashachitra, 2020), p. 226.

<sup>25</sup> Amitabh Reza Chowdhury, "Amitabh Reza" Interview with Tanvir Tareq, *JAGO FM Video* (2020, March 16). <https://www.youtube.com/watch?v=BfsMUkFyuh4> visited on 22.09.2022.

<sup>26</sup> Mohammed Alimullah (CEO of Jaz Multimedia), "Untitled", interviewed by Mohammad Ali Sarkar, January 11, 2022.

Since distributors control the distribution channels through which producers have to distribute films, they have more bargaining power. As a result, they can use their bargaining power to acquire distribution rights and revenue-sharing agreements. In many cases there are allegations of unfair revenue-sharing practices, which financially harm the film producers.

Booking agents act as intermediaries between producers, distributors and exhibitors. Since single-screen theater owners do not accept films except through booking agents, they also have a certain level of power, and they abuse this power considerably.

Power practice and dominant ideologies suggest that film producers are marginalized within the Bangladeshi film industry. Films materialize with producer money, but they are less recognized than filmmakers and actors/actresses. The discourse highlights the marginal status of film producers, as well as their economic risks they face. Investing in the film industry is a high-risk journey, and there is limited financial security and uncertainty of returns. The entire risk of investment in films rests with film producers; however, in Bangladesh, there is no specific reward or recognition system in place for them, highlighting their marginalization. This dominant ideology prevents producers from obtaining revenue, which can be used for future investment, as well as discourages them from undertaking multiple film projects. The discourse highlights the lack of transparency in revenue sharing and ticket sales within the film industry. It also emphasizes accountability, which is essential for the sustainable growth of the Bangladeshi film industry.

### **Recommendation for sustainable and transparent revenue-sharing frameworks for the film industry**

Finding information about film screenings in Bangladesh is very difficult. A system of proper box office reporting has never developed here. It is not possible to know how many tickets have been sold or how much revenue has been earned for a particular film. The information that we get in various magazines or books regarding the revenue of the film is often fabricated. Although digital ticketing systems have been introduced in multiplexes in Bangladesh, it is not sufficient, because the single-screen theaters are reluctant to embrace this system. Implementation of the e-ticketing system at both multiplex and single-screen theaters is very essential. The government should take a quick decision on this matter and make it mandatory. Besides this, the system requires immediate transfer of share money among the stakeholders' account at the time of ticket is sold. Otherwise, discrepancy may exist. For the Bangladeshi film industry a centralized digital platform including distribution of film, e-ticketing, and box office reporting is crucial. It will revolutionize the industry by transforming the film distribution processes, improving the ticketing experience, providing reliable box office reporting, facilitating fair revenue sharing, and gathering valuable market data. Applying such a platform would contribute to the transparency, sustainability, and growth of the Bangladeshi film industry, ultimately benefiting all involved stakeholders.

## **CONCLUSION**

The Bangladeshi film industry faces notable problems in revenue generation and sharing due to a lack of transparency, an outdated system, and unethical practices. Though new revenue streams like OTT platforms, music rights and film exports have emerged, issues like under-reported ticket sales, unfair revenue sharing agreements and cash-based transactions have hampered the progress of Bangladesh's film industry. Film financiers or producers, who play an important role as financial support for the survival of the industry, are often underprivileged of fair earnings, making them reluctant to produce new films. The domination of cinema hall owners and the absence of a standardized box office reporting system worsen this problem, creating financial risk for producers and discouraging new investment. To confirm continuous growth, the film industry of Bangladesh should implement digital technology for ticket sales, transparent revenue sharing tools, and establish a box office reporting system and clear guiding principle for all stakeholders. Establishment of faith, responsibility and impartiality in income sharing is essential to revive the Bangladeshi film industry and attract steady investment.