

Consumers look to escapism when sentiment goes south

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Movie demand provides a handy barometer for the economy, and a pointer to the types of business that do well in a downturn, according to new research examining the world's largest film industry, Bollywood.

When times are tough, people seek out escapist entertainment and are

more likely to flock to cinemas for action [movies](#) and rom-coms, the researchers found.

Dr. Ping Xiao from UTS Business School and Assistant Professor Anirban Mukherjee from Singapore Management University looked at three years of movie attendance in India, and compared this with economic indicators such as consumer sentiment, stock prices and the gold price.

"While you might think that movie demand would go down during bad economic times because people are tightening their belts, we found the opposite happens. When people are feeling stressed or miserable, the desire to escape and immerse themselves in a movie increases," says Dr. Xiao.

"Our research shows movie demand increases when the economy is not doing well, and that particular types of movies – those that have escapist features such as action movies, comedies and romantic movies – are those most in demand."

The study included 348 movies across 382 multiplexes, and covered the period before and after the election of Narendra Modi, which revealed that during times of political uncertainty there was an increase in movie demand and a decrease in consumer sentiment.

"Why we think it is escapism and not some other motive driving movie attendance is that demand did not go up for all movies, but only movies that have escapist features such as action movies, comedies and romantic movies," says Dr. Xiao.

The analysis supports the findings of previous research from the US showing box-office receipts rose in six of the last seven recessions.

The link between movie demand and the economy has implications not only for the movie business but also for other industries that offer an escape from reality through immersive "experiential consumption," says Dr. Xiao.

"Immersive festivals such as Coachella and Burning Man, fitness events such as The Colour Run or Tough Mudder, along with cruise ship holidays and, in Australia, attendance at football and other sporting events, are likely to experience increased demand when economic times are tough," she says.

Indian film director Manmohan Desai has famously said: "I want people to forget their misery. I want to take them into a dream world where there is no poverty, where there are no beggars, where fate is kind and god is busy looking after his flock."

Tapping into this desire might just be the key to success for businesses looking to profit from the next economic downturn or negative consumer sentiment survey.

Provided by University of Technology, Sydney

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