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a study on the effects of inflation on the spending towards theater by the people of saurashtra region

[1] Dr. Kalpesh P. Gandhi, [2] Amita R. Vora

[1] Assistant Professor, Department of Commerce at Government Arts and Commerce College Jafrabad, Jafrabad, India

[2] Lecturer, Department of Management at Shri Satyaprakash College of Management and Computer Science, Rajkot, India

Email - [1]kpsgandhi@gmail.com, [2]voraamita@gmail.com

Abstract: *Entertainment requires for the joy of life and it comes from different activities apart from economic activities. People earn to spend for improve their standard of living and entertainment comes as one of the factor for it, whatever be the source of entertainment but it requires. The present study is about the spending of people towards the theatre for watching movie and the effects of inflation on it. The objective of the study is to analyse the effect of inflation on the spending for it. This is based on primary data for which structured questionnaire has been formed and circulated and total 174 responses have been collected from the Saurashtra region of Gujarat state, India. To check the association with the different demographic variables, Chi-square technique has been implemented and from that, it has been found that the different categories of respondents like lower income groups, age group of 18 to 25 and above 46 and upto graduated people have decreased the spending towards the theatre due to inflation.*

Key Words: effect of inflation, theatre, and movie.

INTRODUCTION

Human being requires entertainment in his life to enjoy the life and reduce the stress of life, for which various options have been used like reading books, watching television, visit at theatre for movies or plays, outing, mobile for games or OTT, fair and festival etc. The ultimate objective of entertainment is satisfaction of this type of needs arose. The means to satisfy theses needs are different for different person, for one person reading books give satisfaction for other mobile and so on. One of the famous category which has been used from so many years is movie at theatre before that the plays at theatre. These both have been very famous in most of the places of the world.

Before the introduction of television, viewing movie had only one option and that was theatre. It was very popular in India also movies in various languages had been released and liked by the people. Then after with the growth of television industry, movies are available at home in television and now in the period of Smartphone and internet, OTT platforms have changed some terms of the entertainment industry. After Covid-19, it has been observed that some movies are directly released on OTT instead of theatre. Then also various determinants are there for liking the movie at theatre like social gathering of relatives and friends, sound effect, big screen, the theatre environment etc.

Theatre industry has also suffered the loss due to Covid-19 in various manners like lockdown restricted the sales, then fear in public for spreading of virus resist them to come at theatre, government norms for lesser then the full capacity at time to time etc. Some of theatres have raised the price of the ticket on selected movies after Covid-19 which had attracted the law of demand and with price increase demand decrease. One more factors added in all these present stress and that is inflation. The price raise affects all the people, the first deduction has been observed in the entertainment cost in the family budget of the household, so decrease in spending towards theatre cost affects the industry. In the present case, out of total 174 respondents 104 respondents have mentioned that they have decrease the spending for it due to inflation. On the other hand 38 have reacted that they have increased the spending with which reason is not stated and 32 have said that there is no change for theatre spending for movies as compared with before inflation.

LITERATURE REVIEW

Acerenza S.and Gandelman N. (2018)[1] have conducted a study as culture is a luxury in Latin America. The researchers have covered three activities in cultural activities, towards cinemas, theaters, spending towards sports events and other cultural activities. They have found that the cultural spending was higher in urban place and larger for household where head of the household was female and cultural spending is positively correlated with the educational level and older head of household lower spending towards cultural activities.

Baiju G. (2018)[2] has carried out a study on a comparative study on the impact of new media in the movie viewing habits of youth and middle age. Researcher has mentioned the objectives as to study the movie viewing habits of the respondents, to know the impact of new media promotions in the movie selection process etc. Researcher has found various facts about the study as middle age group like to watch movie on daily basis on television and youth like to watch movie on theatre, and majority of youth watches movies more than once in theatre.

Gao L. and Kim H. (2018)[3] have made a study on consumer spending on entertainment and the great recession. Researchers have mentioned that the study investigates the effect of economic recession on consumer decision making process free time activities. They have used the Probit model to check the changes in income affect the likelihood on making expenditure on entertainment activities, also they have applied Tobit model to check the income effect on recreational activities. Researchers have observed that significant decrease in income coefficient during the period of recession in two out of total three categories of leisure activities.

Yadav M. and Srivastav M. (2020)[4] have performed a study of changing consumer trends in the entertainment industry. They have stated various entertainment media bifurcated into mainly groups as traditional and modern media as folk theatre, street theatre, fair and festival, television, radio, print media, film/movies/theatre and online streaming services. Researchers have also mentioned the present trend of all these media. They have concluded that with the increase of purchasing power, acceptability of internet, improvement in technology etc. media industry has adjusted itself with changing customers taste.

OBJECTIVE OF THE STUDY

The primary objective of the study is to analyse the effect of the inflation on the spending towards the theatre of the people of the selected region. The spending towards the movie at theatre comes in the entertainment category after the necessity and conventional goods category, people spend for entertainment when their basics and some extra needs have been satisfied. Various demographic variables have been analysed and to check whether any association have been formed or not.

SCOPE OF THE STUDY

The functional scope of the study has been defined as the effect of inflation on the spending towards the theatre. Other factors have not been covered in the study like development of OTT or availability of other substitutes, boycott trend etc. The fundamental question has been asked with the respondents that due to inflation what happens with the spending to theatre, whether increase, decrease or no change. Geographical scope of the study is limited to the Saurashtra region having total 11 districts in the region in Gujarat state of India.

DATA COLLECTION

The present study is based on the primary data, collected by using closed ended structured questionnaire through Google form. The secondary data have been used for review purpose. Total 174 respondents have filled the data and analysis of the data and for testing hypotheses have been done by applying Chi-square method. The data have been collected in the month of July 2022.

DATA ANALYSIS

Table No.1 Cross tabulation and result of Chi-square with Gender

Effect/ Gender	No change	Decrease	Increase	Total
Male	26	71	30	127
Female	6	33	8	47
Total	32	104	38	174
χ^2 Tests	2.97			

P value	0.227
Fisher's exact test	0.248

(Source: Primary data)

Table no. 1 states the cross tabulation between effect of inflation on spending towards theatre and gender of the respondents. Null hypothesis has been set as there is no significant association between these two and result also states that null hypothesis is accepted and no relation or association has been observed. In case of horizontal percentage analysis, where the each demographic variable is compared between three options as no change, decrease and increase, it has been analysed that male and female are near to each other in proportionate percentage bifurcation. In case of decrease category female are more than male in percentage but then also no such association can be formed because the P value is 0.227 as higher than 0.05 at 5% level of significance, so null hypothesis is accepted. The spending towards theatre is matter of choice which has no association with the gender in the present case.

Table no. 2 Cross tabulation and Result of Chi-square with Location

Effect/ Location	No change	Decrease	Increase	Total
Semi-urban	3	11	2	16
Rural	5	19	9	33
Urban	24	74	27	125
Total	32	104	38	174
χ^2 Tests	1.57			
P value	0.814			
Fisher's exact test	0.836			

(Source: Primary data)

The second hypothesis has been set as there is no significant association between effect of inflation on spending to theater and location of the respondents. The spending to theater is matter of preferences also affected by the location of the respondents. It may happen that people of urban prefers more compared to the rural and semi-urban at a same time it is also depend on the availability of the theater, in case of urban the availability of theater is higher than the semi-urban and rural. In case of rural and semi-urban people also affected because, during holidays or festival time, if theater is not available in their home town then they go for urban places and visits the theater which have been observed in many cases, not every time but some spending have been observed. In that case they have spent more than the urban people as transportation cost, dining out cost and other extra expenses. The present study focuses on the effect of inflation on the spending to the theater, so whether respondents have decreased the spending or increased or no change. The result of test of the hypothesis says that there is no association between them as the P value is 0.814 which is higher than 0.05 at 5% level of significance.

Table no. 3 Cross tabulation and result of Chi-square with education

Effect/ Education	No change	Decrease	Increase	Total
Upto HSC	1	6	1	8
Other	8	10	4	22
Graduate	1	22	8	31
Post graduate	20	52	15	87
Professional	2	14	10	26
Total	32	104	38	174
χ^2 Tests	19.12			
P value	0.012			
Fisher's exact test	-			

(Source: Primary data)

The education and the spending may have association upto certain extent, people with higher education may have information and prepare its spending budget and allocate income with different categories. Lesser educated people can also do that but may be not that much systematic manner as former. The people of latter category may think more on savings and they have also lesser scope of options for earning, so variation in spending may observe with the change in the education. The present study focuses on the effect of inflation and result of hypothesis mentions that there is association between effect of inflation on spending to theatres and education of the respondents. The null hypothesis is rejected as the P value is 0.012 which is lower than 0.05 at 5% level of significance. In the category of professional and postgraduate, they are higher in percentage for increase and no change compared with the rest, majority of rest are higher in decrease category, so association is observed in effect of inflation and the education.

Table no. 4 Cross tabulation and the result of Chi-square with age

Effect/ Age	No change	Decrease	Increase	Total
18 to 25	1	9	4	14
26 to 35	17	36	22	75

36 to 45	13	48	11	72
46 & Above	1	11	1	13
Total	32	104	38	174
χ^2 Tests	13.4			
P value	0.037			
Fisher's exact test	0.035			

(Source: Primary data)

The relationship can be established between the age of the respondents and the spending towards the theatre. Generally younger people have more preference than the elder for theatre. The number of visits, choices of movies, selection of theatre etc. varies with the age of the respondents. Impact of the inflation may change the spending of the respondents, to check whether any relationship have been exist or not, the null hypothesis has been set as there is no significant association between the effect of inflation to theatre and age of the respondents. The P value is arrived at 0.037 at 5% level of significance which is lower than 0.05, so null hypothesis is rejected and alternate hypothesis is accepted which clarifies that there is significant association between the two. In the parallel analysis it is found that age group of 26 to 35 and 36 to 45 are more in increase category than the rest age group of 18 to 25 and 46& above. The same have been observed in case of no change. Thus it is clearly observed that the effect of inflation to spending on theatres and the age of the respondents have significant association. There may have different factors for it like 46 & above think for saving and below 25 are either students or new earning members, so they cannot afford the impact of inflation, so somewhere reduction in overall spending is required, so both categories have decreased the spending to theatre.

Table no. 5 Cross tabulation and result of Chi-square with income

Effect/ Income	No change	Decrease	Increase	Total
Upto 10,000	1	24	6	31
10,001 to 25,000	2	17	8	27
25,001 to 50,000	7	20	10	37
50,001 & Above	22	43	14	79
Total	32	104	38	174
χ^2 Tests	13.6			
P value	0.034			
Fisher's exact test	0.027			

(Source: Primary data)

Effect of inflation directly observes in the category of income as demographic factors. Generally lower income group of people are first who faced the adverse effect of inflation, as they are earning less, they have limited scope for spending and when inflation come place they have to sacrifice some spending or reducing the quantity. When effect of inflation on spending to theatre have been analysed with the income category, null hypothesis has been set as there is no significant association between the two and result of the chi square suggests that null hypothesis is rejected and alternate hypothesis is accepted as the P value is 0.034 which is lower than 0.05 at 5% level of significance. Thus there is significant association between impact of inflation on spending to theatre and income of the respondents. The result can be further analysed as income level of third and fourth category are more in percentage for increase and no change category than the first and second category. Some respondents from the income above 25,001 have increased the spending towards the theatre irrespective with price rise or inflation.

CONCLUSION

Generally a person likes to visit the outside places for entertainment whether it is a theatre, social gathering, dining out or fair and festival. The cost for it is matter depends on the economic condition of a person, some may afford all the things while some go for selected one. Theatre visit comes where majority of the categories have liked and visited the frequency of visit and selection of theatre varies with person to person. In the present case the effect of the inflation on spending to the theatre for movies have been analysed and it has been found that the gender and place of the respondents have no any kind of association with it but education, age and income have significant association with the effect of inflation on spending for theatre. Some of the mentioned categories have more decreased compared within group and in that assessment; some have increased spending even though having inflation. For instance lower educated have decreased spending, age group of 18 to 25 and 46& above have also decreased spending and in case of income upto 25,000 have go for the same. The other demographic groups of the respective variables have either increased spending or have no change in spending.

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