



Issue Brief Series



“Telugu Diaspora & Changing Trends in American Film Distribution”

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Submitted by: Sidde Srinivasa Chaitanya Pushkar (MPP Cohort, 2024-26)

Under the Supervision of: Dr Kanica Rakhra, Assistant Professor, Kautilya School of Public Policy

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Telugu Diaspora & Changing Trends in American Film Distribution

Abstract

The Telugu diaspora over the years in the United States has seen significant rise over the years with currently a population of 1,20,000 lakh Telugu population living in the states. They constitute a major chunk of the Indian diaspora resulting in being the 11th largest foreign language spoken and third most Indian language in the USA after Hindi and Gujarati. With the rise of diaspora, there comes cultural exchange that happens in North America and cinema is the largest cultural celebration that Telugu individuals engage in. A huge economic market for the Telugu Film Industry has resulted from migration to USA. The paper analyses the factors behind the growth of North American Theatrical market while harnessing the support of Telugu Diaspora and caste-based network Telugu organisations, ticket policies and inter-diasporic clashes in the distribution of cinema.

Keywords: *Telugu Diaspora, Networks, Telugu North America Film Distribution Market, Economic Trends, Culture, USA*

Introduction

From the 1980s, the Telugu diaspora roots in the USA can be linked to late 1980s when the prosperous land-owning class elites migrated to the States as an alternative to London to pursue higher studies and academic rigor. However, after the Y2K there is greater purge in the migration of Telugu individuals from their homeland India with rise in IT demand for technological skill workers with Indians especially the Telugu individuals who grabbed this open opportunity with pursuing greater amount of STEM degrees in India and attending private coaching centres at Ameerpet in Hyderabad that in fact connected the students with placement offers in USA at IT companies. The boom in migration was persistent. It reflected the formation of Telugu networks in the USA and in large numbers too. Between 2008 to 2012, nearly 26,000 students from Telugu states emigrated to USA. (Brookings, 2014). This number not just doubled but quadrupled to lakhs within a decade as of 2023. US General Consulate Hyderabad has

reported that 56% of student visas issued were given to Telugu-origin people, that is 1.8 lakhs of youth from the United States which is just for one year.

The IT revolution after Y2k, has given a clear-cut pull opportunity for the Telugu individuals to migrate to USA as their skills that have attained in the homeland attracted them towards the better lifestyle, better pay scale, better living conditions and stress-free environment with better transportation and welfare policies that an IT worker would need while attracting skilled population to USA (Lee, 1996). While the growing Telugu population contributed in forming networks among Telugu diaspora that could be seen in three organizations. TANA (Telugu Association of North America) - the largest organisation of Telugu individuals traces back to being formed in 1977. ATA (American Telugu Association) formed in 1990 and NATS (North America Telugu Society) being the recently formed one in 2009. These organisations represent social networks like caste systems back in homeland that hereby influence not only whether and how migration takes place, but also where migrants are predominantly moving to (Boyd, 1989). In fact, it can be observed that students who are coming to USA are encouraged and even funded by these organisations to pursue higher education here and form consultancy cartels that help in placing students at companies at an agreed commission basis after their graduation. As migration takes place, indeed the culture of Telugu individuals migrate beyond homeland borders and the Telugu love for cinema and its cultural manifestation where the exponential growth of Telugu diaspora in North America has created a lucrative but increasingly complex film distribution market characterized by premium pricing strategies, organisational fragmentation along caste based Telugu networks, and external threats from policy changes and inter-diaspora conflicts.

Literature review

The notion of diaspora today exceeds temporary or permanent migration, embodying ongoing connections across countries that maintain cultural identities through shared practices and networks. Vertovec and Cohen (1999) capture this well, emphasizing how diasporas live between places, rebuilding community through media, tradition, and political engagement. The Telugu diaspora in North America exemplifies this dynamic, blending heritage and adaptation.

Murthy (2017) highlights Telugu cinema's unique role in shaping these diasporic identities as a form of cultural diplomacy. Film screenings and media not only preserve language and traditions but also generate economic and emotional investment that binds the diaspora and homeland. This has clearly been reflected in the creation of an alternate subculture in USA - Telugu pop culture that has its roots from the USA with the second generation and third generation taking part in this. Raj Kumari, a popular Desi English rapper from USA who won various accolades for her song in national award-winning Shahrukh Khan starring film 'Jawaan'. The other recent popular celebrity is Avantika Vandanapu, who started as a child artist in the Telugu film industry in India, migrated to USA consequently and now has become viral from many of Disney's teen-focused OTT series, representing Indian 'brown culture' in USA.

Adding nuance, Raj (2025) demonstrates that Telugu diaspora life centers around multilayered networks from family units to caste bred organizations like TANA, that provide social capital crucial for cultural and economic survival. These networks enable effective communication, event organization and widespread film distribution that strengthens community bonds.

Identity issues, especially caste distinctions, influence diaspora organisations, and social dynamics. Most of the current distributors in North America are ex-IT workers and have transformed and created the business model of film distribution after they have settled and created their influence in the Telugu community. North America's multicultural environment further shapes how the Telugu community balances cultural preservation with engagement in broader society, impacting their patterns of cultural consumption, including films.

Telugu Diaspora in USA: Organisations & its Relevance in North America Theatrical Film Distribution Market

Telugu Cinema started to travel beyond the borders of the homeland Telugu states to USA. There was a dilemma among the Telugu Film Industry producers who could be the distributors for the film in the new found North America. In this context the Telugu diaspora organisations and IT workers settled in the US came to rescue and formed an organization under TANA and ATA. The first major film distribution that came to the market was Great India Films

founded by Sudhakar Reddy and Siva Polavarapu in 1998 who were back then the founding members of ATA dominated by the Reddy caste of Telugu-origin people. Later, Prime Media USA owned by Niranjan Reddy, Shokla Entertainments and Sarigama Cinemas came up and were strongly backed by the TANA dominated by the Kamma caste of Telugu-origin people. These companies from the 2000s to 2019 had a strong competition among the film trade circles to bag film's North America Theatrical rights. With the strong backing of these organizations, the motive of these companies moved beyond the business model and looked at holding film rights as a cultural symbol or identity for these companies with the involvement of caste pride and acted as a passage to hold ties with the film personalities back in the homeland. Thus, Telugu cinema transformed from being a medium of art form to soft power for Telugu diaspora. TANA and ATA are massively influential organisations. Politicians from MLAs, MPs to CMs in India go to their annual summit event to pitch for diaspora investment in the homeland and requests for party donations too are made in these events.

Not just these organisations which blossomed from the first and second generation diaspora, IT workers who travelled through authorised H1B visa continued to work until they got a Green card. Once received they began investing their savings to acquire sub-distribution rights for areas like Bay area and Dallas, USA and begun opening sub-distribution offices that operated independently under the umbrella of the above mentioned big distribution companies. These sub-distribution companies have become a huge success and now have started to expand their footprint in acquiring North American rights which have begun to threaten the existence of these caste based organisation-backed companies. Recently, the film Little Hearts that was made on a shoe string budget of 1.75 crores starring debutant Mouli and Shivani Nagaram raked in 40 crores (Gulte, 2025) worldwide with the USA itself contributing to 10 crores which was distributed there by Epic Clap Entertainments for 100k dollars, which is also a sub- distribution that made it big with getting more than 10 times the profit for the film. This is a great future case study to understand the dynamics of the market.

Trend Analysis: North America Telugu Theatrical Market from 2000s to 2024

The last two decades are great material to understand the economic significance of the Telugu Diaspora for the Telugu Film Industry.

Year	Telugu Diaspora Population (Lakhs)	Telugu Theatrical Market (million USD)
2000	87, 543	0.2
2005	1,08,000	0.5
2010	2,22,977	1.2
2015	3,20,000	5.0
2020	4,15,414	10.0
2023	12,30,000 (\approx 1.23 million)	21.0

Source: America Census Bureau, KPMG India report

From 2000 to 2023, with the drastic influx of the Telugu individuals from 50,000s to 1.2 million Telugu speaking population, the North America market for the Telugu films was created and drastically expanded from a mere market of just \$0.2 million market to an over \$21 million surge in the gross collection of Telugu movies at the box office. There existed and formed a remarkably strong association between these two trends, adding to a near-perfect statistical correlation. ($r = 0.007$, calculated from the population and revenue series).

In the early 2000s, the presence of ‘Telugu North America’ started to emerge as a central point for cultural exchange and gathering catering mostly to the clusters new migrants that came

for IT jobs. The population was very limited and the movie watching experience was just limited to community halls and other event gatherings though DVDs which were exported from India and sold only in the USA. With the advent of IT revolution from 2005, the market was created and enough demand was generated when Mahesh Babu's industry hit film Pokiri (2005) was released and ran over various 25 theatre centres across USA and collected \$100k gross in its full run. This gave the much-needed confidence for the diaspora to invest in the market and thus, the formal establishment of the film distribution circle began to expand the reach of Telugu cinema to both the audiences and venues across the USA.

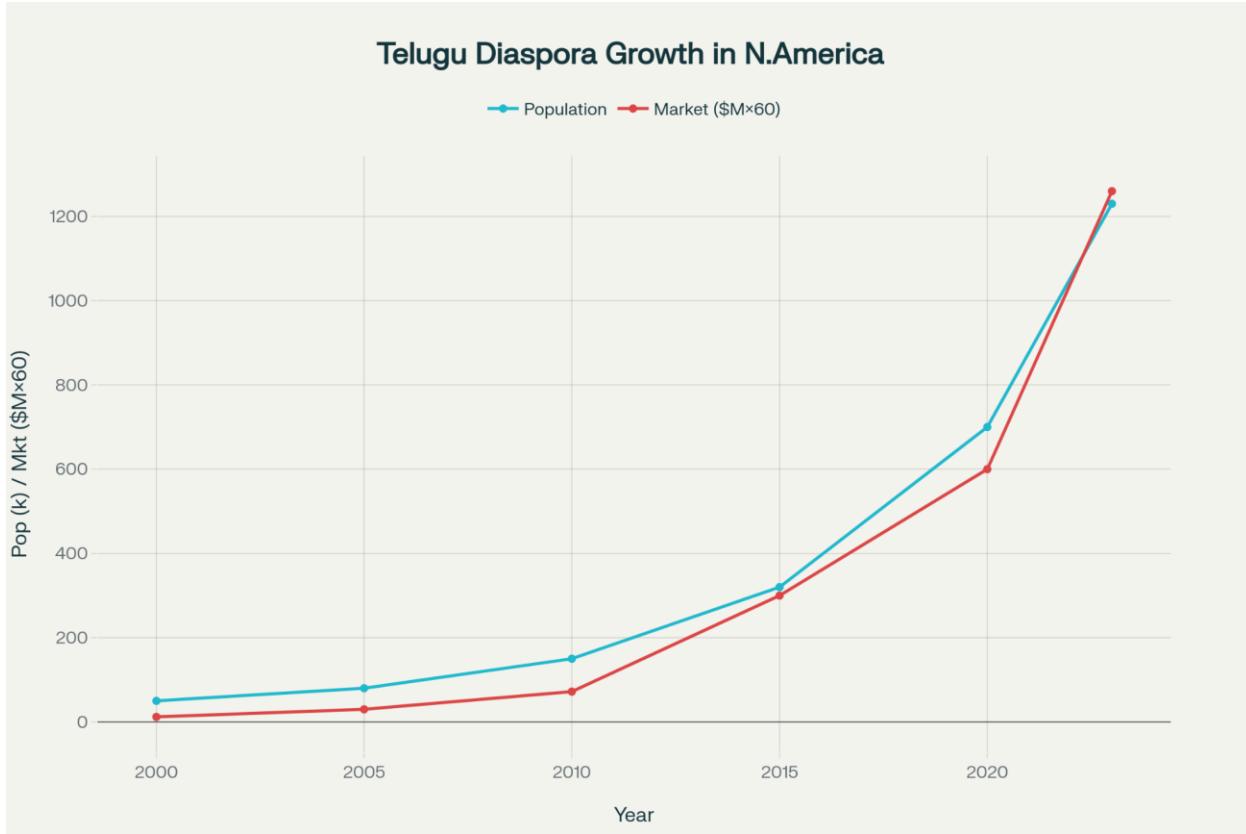


Figure 1: Co-relation between Telugu Diaspora and North America Theatrical market, *Source: Created by Author*

From 2005 to present, as the market grew exponentially, in some cases, some films were made keeping in mind USA Telugu audiences and their tastes. This is not just restricted to big budget commercial pot boilers. Medium budget films saw a huge success in this market and in the long run also contribute sometimes to 50% of these films total gross which comes from North

America. It was also during this era that we see the creation of second and third generation of diaspora with an influx of rising higher education pursuing students. This population has significantly doubled over the years and so the theatrical earnings of the films have seen a significant rise from the 1 million mark to the 21 million mark. Telugu community organisations like TANA and ATA, have formalized the distribution ecosystem, arranging pre-release premieres that take place before the film is even released in India, working directly with Indian production companies. These associations not only grew the market but served as networks and touchpoints for newcomers, fostering a sense of home and identity through film consumption.

With million Telugu speakers, after the stupendous success of blockbusters 'RRR' grossing 18 million dollars and 'Bahubali' grossing 21 million dollars in the North American market, it became the largest market for Telugu films overseas. The rising success of the market has made audiences now expect simultaneous global releases and fosters a strong premiere show culture with fans shows organised at prime locations of Telugu Communities who live in the Bay Area and Dallas. The community in fact played a major role in local marketing campaigns and strong lobbying for cinema that was showcased in how 'RRR' was able to bag an Oscar for the Telugu folk song 'Naatu Naatu'. It is noticeable that cinema acts as a strong cultural identity for Telugu individuals and a vow to lobby for it as soft power rather than considering to do the same on political front. In comparison to Indian diaspora from other states, Telugu individuals continue to remain apolitical and not participate in US Politics.

Several structural factors fuelled this spectacular growth:

- **Diaspora Networks:** Family, alumni, and regional associations became vital distribution engines, using word-of-mouth, social media, and WhatsApp groups for marketing.
- **Cultural Capital:** Films reinforced cultural identity, prompting strong turnouts for star vehicles or festival releases.
- **Rising Purchasing Power & Community Organization:** As Telugu individuals moved into higher-paying jobs, their greater disposable income increased spending on cultural goods,

especially as North American priorities shifted toward cultural preservation in favour of mere assimilation.

- Cinema as a tool of representation of the American Telugu diaspora: Every generation of diaspora has a Telugu film that represents their lifestyle and culture in USA. For instance, first generation diaspora has a film called ‘Padamathi Sandhya Ramam’ that explores the relationship between an American born white man and Indian brown girl in their twenties who migrated in the 1980s. Second generation Telegus have a film called ‘Vennela’ released in 2005 that explores the life of Telugu IT workers who migrated post the IT boom. Third generation now have various films representing them like ‘ABCD (American Born Confused Desi)’ and ‘Fidaa’ which are recent successful films under this genre.
- Professionalisation of Distribution: Major overseas distributors now invest heavily in Telugu films, and professional chains partner for widespread, timely releases, creating a sustainable commercial cycle.

To summarise, the North American Telugu theatrical market’s stupendous rise is inseparable and can only be linked to the chain migration story of its diaspora audience where ties are strong and roots grow deeper among the three generations that contributed in shaping the distribution market into a significant revenue source for Tollywood (South Indian Film Industry). The outcomes of the above co-relation study clearly validate and signify the role of migration and network theories of sustained population growth, backed with well organised intra-community linkages, fuels cultural and economic institutions that not just generate the revenue to the homeland’s film industry but also shape and reshape the diaspora’s experience in the hostland.

Economic Impact and Challenges Affecting the Telugu Film Industry in India

After 2023, seeing the great opportunity and potential of Telugu films in USA, new trends in pricing have emerged where the premiere shows are priced at a very premium price of

minimum of \$25 dollars which is a huge sum in comparison to what Hollywood films are priced at - just \$5 to \$10. In 2024, the actor Prabhas starrer 'Kalki' premier show tickets for IMAX and XD Telugu versions were priced at a minimum of \$50 dollars which is five times higher than a Hollywood film price. Despite that, According to Moneycontrol (2024) the film achieved a record pre-sale with highest ever for a Telugu film ever. It makes a clear case of diaspora willingness to pay being unrestricted by price markets. Infact it is viewed more as paying a premium for consuming cinema as the only cultural capital and strong identity affirmation resulting in fans' celebrations at theaters with cut-outs and festival-like celebrations. Trump's 100 % tariffs on foreign cinema did not have an effect on the market and much recently it was witnessed that a Kannada dubbed Telugu Film 'Kanatra' had a greater gross collection than the original language (Kannada and Hindi) while Pawan Kalayan's film 'They Call him OG' has released and has become the highest grossing Telugu film in USA for the year 2025. (Track Tollywood, 2025). According to Times of India (2025), the footfalls have lowered due to these tariffs which needs to be studied but revenue for the most part remains to be less affected.

However, the premium pricing did have a significant negative impact on the industry as the American audience had the opportunity to watch the film before the Indian audience. They got a free pass to critique the film and with strategic promotional activities by film industry insiders on social media fueled into the spread of negative word-of-mouth for the film even before Indian release. The USA audience do not consider themselves to be elitist and this resulted into the formation of a new group of film reviewers who critique Telugu films from the point of view of Hollywood films and compare Hollywood standards with Telugu standards just because they are getting to pay more than Hollywood films.

The lack of professionalism from the production and content team of the producers too is negatively affecting the distributors in USA with content delays till the last minute and bookings opening late have resulted in massive losses for distributors even before the film's release. This has created a huge problem of revenue sharing complexities between exhibitors and distributors wherein exhibitors in future could lose trust in future over the Telugu film distributors. This can fireball into a significant problem.

Finally, inter-diasporic clashes between Sri Lankan Tamils and local distributors of South Indian cinema overall have cost the Canada market for the Telugu films resulting in massive loss of revenue and even non-reporting of revenue even if generated. Sri Lankan Tamils settled in Canada formed a cartel kind of organisation operating a multiplex chain called 'York Cinemas' where distributors are forced to release their films at these theaters with heavy ticket prices and bad facilities. If the film is shown at any of the other theatre chains, they get ransacked and attacked by a mob. This started happening in 2022 during the release of Pawan Kalyan's 'Bheemla Nayak' and continues to date. Much recently, a distributor who dared to release the film in other theatre chains saw the theatre being attacked. This factionalism resulted in death threats to the distributor and his car was stolen by this cartel.

Conclusion: Policy Recommendations for Homeland Telugu Film Industry

The lack of professionalism among film producers needs to be looked into seriously and a strict policy should be followed. Negotiations should be done through Ministry of External Affairs (MEA) resulting in launching a Diaspora Cultural Liaison Program partnering with TANA, ATA, and regional associations to monitor inter-community clashes, provide conflict-resolution training, and diversify screening venues beyond monopolistic chains in Canada. Finally, the Film Facilitation Office under Telugu Film Chamber must develop a Global Premiere Accreditation, granting "early-release licenses" only to productions with approved marketing plans and secured exhibitor agreements. These measures will reinforce distributor confidence, protect cultural capital integrity, and ensure Telugu cinema's robust growth in North America.

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