



The AIR of Independence

Social Media Marketing of Independent Film Productions

by
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Affidavit

Herewith I affirm that I, Mag. (FH) Philipp Strahl, born on September 6th 1983 in Graz, abide by the principles of scientific methodology to the best of my knowledge and belief in all conscience and that the present paper is authored by me and me alone. In its creation I did not use any sources and resources other than the ones stated. I affirm that I have not brought forward this paper's topic for means of examination either nationally nor abroad, and that this paper is identical to the versions presented to the advisors.

Hiermit versichere ich, Mag. (FH) Philipp Strahl, geboren am 06. September 1983 in Graz, dass ich die Grundsätze wissenschaftlichen Arbeitens nach bestem Wissen und Gewissen eingehalten habe und die vorliegende Diplomarbeit von mir selbstständig verfasst wurde. Zur Erstellung wurden von mir keine anderen als die angegebenen Quellen und Hilfsmittel verwendet. Ich versichere, dass ich dieses Diplomarbeitsthema weder im In- noch Ausland bisher in irgendeiner Form als Prüfungsarbeit vorgelegt habe und dass diese Arbeit mit den der BegutachterInnen vorgelegten Arbeiten übereinstimmt.

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Outline

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Die vorliegende Arbeit beschäftigt sich mit der Beantwortung der Frage nach den Methoden und Möglichkeiten, die Marketing Manager von Independentfilmen ohne dezidiertes Marketingbudget im Selbstvertrieb anwenden können, um ihr Produkts vorrangig auf Social Media möglichst effektiv zu bewerben und zu vermarkten.

Die Einleitung legt den momentanen Status Quo dar und zeigt die Defizite der vorliegenden Hauptliteratur auf, während sich im folgenden Kapitel die Abschnitte mit der Feststellung von Unterscheidungsmerkmalen zwischen Independentproduktionen und Hollywoodfilmen unter Berücksichtigung ihrer historischen Ursprünge beschäftigen.

Weiterführend wird das Erfahrungsgut 'Film' auf seine inhärenten Charakteristika in Bezug auf Vermarktbarkeit und jene seiner Herstellungsprozesse untersucht.

Weiters wird die Tätigkeit der Filmvermarktung diskutiert und konkrete Unterschiede zwischen Independentfilmen und Hollywood Studios werden in ihrer Tätigkeit der Filmvermarktung dargestellt, und welcher Methoden sich Hollywoodproduktionen bedienen, um jene den Filmgütern innewohnende Eigenschaften im Marketing Herr zu werden, die sich für selbstvertreibende Independentproduktionen nicht erschließen.

Die Verbreitung von Internet und sozialen Netzwerken, allen voran Facebook, und seinem Einfluss auf das Onlinemarketing von Filmen wird aufgezeigt, und welche Kommunikationsmodi

der sozialen Medien das Kräfteverhältnis von Independents und Hollywoodstudios verändert haben.

Das letzte Kapitel versucht schließlich praktische Richtlinien durch die Zusammenführung der vorhergehenden theoretischen Diskussion mit den Erfahrungen und Lektionen die durch die Vermarktung vom praktischen Projekt *Back to the Roots* entstanden sind darzulegen. Ausgehend von diesen Methoden werden übergreifende Philosophien für die Vermarktung von Independentfilmen in sozialen Netzwerken abgeleitet.

Im Schlussteil werden die Erkenntnisse der vorhergehenden Kapitel kurz zusammengefasst, einige Aspekte dieser Thesis kritisch evaluiert und schließlich Anknüpfungspunkte für weitere Forschung angeregt.

Abstract

The thesis at hand is concerned with answering the question of the means and methods that marketing managers of self-distributing independent film productions can employ to effectively advertise and market their product primarily in or via social media without a dedicated marketing budget.

The introduction presents the status quo and the primary foundational literature and its shortcomings whereas the following chapters and sections are concerned with identifying differentiating characteristics of independent productions and Hollywood films and their historical origins.

Subsequently the experience good ‘film’ is examined for its inherent characteristics in terms of marketability and those of the governing processes of its creation.

Further, the activity of film marketing is discussed and practical differences between independent films and Hollywood majors are outlined in their practices of marketing films, and what methods Hollywood productions employ in tackling the inherent properties of marketing film goods and self-distributing independents cannot.

The proliferation of the internet and social networks, most notably Facebook, and its impact on online marketing of films is presented and how the modes of communication among social media altered the balance of power between independents and Hollywood majors.

The final chapter attempts to suggest practical guidelines by marrying the foregoing theoretical discussion with the experiences and lessons learned from marketing the practical project *Back to the Roots*. From these methods overarching philosophies for marketing independent films in social networks are identified.

In a concluding part the findings of the previous chapters are briefly summarized, a critical evaluation of this thesis’ aspects is provided and anchors for further research are suggested.

Preface

In the diploma thesis I had authored three years prior, I was examining the threats and chances in the management of a visual effects (VFX) workflow in what I then called “student productions”¹ – which essentially are independent productions. With this paper I want to help and enable productions and projects arisen from passion (rather than from avarice) from a different angle. Instead of processes and practices managing VFX , I want to provide methods to these independent creatives to get their message to the world without the necessity of institutionalized marketing agencies and a big budget.

¹ cf. Strahl 2010: 12.

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Acronyms

| | |
|---|--|
| ad advertisement. | f. and the following page. |
| AFI American Film Institute. | ff. and the following pages. |
| AIP American International Pictures. | FH Fachhochschule. |
| AMA American Marketing Association. | FTC Federal Trade Commission. |
| ARG alternate reality game. | |
| B2B business-to-business. | GB Great Britain. |
| bro. brothers. | i.e. id est, that is. |
| | IL Illinois, USA. |
| CA California, USA. | IMDb Internet Movie Database. |
| CARA Classification & Rating Administration. | IN Indiana, USA. |
| CARU Children's Advertising Review Unit. | Inc. Incorporated (company or business). |
| cf. confare, compare. | IP intellectual property. |
| CMI Content Marketing Institute. | Jr. junior. |
| corp. corporation. | l. location, a location in a Kindle ebook. |
| CPI Consumer Price Index. | LA Louisiana, USA. |
| CT Connecticut, USA. | LLC limited liability company. |
| CTA call to action. | M million(s). |
| DCP Digital Cinema Package. | MA Massachusetts, USA. |
| dev. developer. | MAU monthly active user. |
| dir. director. | MGM Metro-Goldwyn-Mayer. |
| distr. distributor. | MPAA Motion Picture Association of America. |
| DoP director of photography. | MPPC Motion Picture Patents Company. |
| DVD digital versatile disc. | NDA non-disclosure agreement. |
| e.g. exempli gratia, for example. | NJ New Jersey, USA. |
| et al. et alii / et aliae, and others. | NSA national security agency. |
| etc. et cetera, and so forth. | NY New York, USA. |
| | OH Ohio, USA. |
| | p. page number. |
| | P&A prints and advertising. |

| | |
|---|---|
| PDF portable document format. | US United States (of America), also USA. |
| PPV pay-per-view. | USA United States of America. |
| prod. producer, produced by. | USD United States Dollar, also \$. |
| ROI return of investment. | USP unique selling proposition. |
| SMM social media manager. | VFX visual effects. |
| STP Social Technographics Profile. | VHS Video Home System. |
| TV television. | VOD video-on-demand. |
| TWC The Weinstein Company. | vol volume. |

1. Introduction

1.1. Relevance

Our society underwent large changes thanks to the progressing digitalization, and still keeps changing: Our work, our lives, but also how we communicate with each other, our notions of relationships and art. Web technologies such as the Web 2.0¹ in general, social media and social networks, such as Facebook in particular, let us stay in contact with friends and family and instead of leading towards isolation, the internet has brought us closer together.

On an other note, digitalization has also transformed the way films are made and distributed. Today's digital motion picture cameras deliver images of outstanding clarity and fidelity while traditional film stock is rapidly losing ground.² This not only made it easier to shoot films of higher technical quality, it made it also affordable for individuals or small groups. A growing number of independent film productions have been shooting films for an ever increasing potential audience which they hope to find on the web, provided they manage to stand out of the crowd of the countless other filmmakers and the big adversary, Hollywood, trying the very same thing. Yet it is possible – by clever marketing, for example.

The buzzword for marketing on social media is *content marketing*. But content marketing is nothing new and has been around for many decades, if not for over a century.³ But until recently it was only useful to corporations with the necessary funds and connections to market their content to the public via media channels only they had access to, such as advertisements in magazines, TV commercials or their products themselves.

The Hollywood major studios are known for their enormous marketing budget spending and still are dominating the cinema landscape with their productions and eagerly adopted the internet as another marketing channel.

But the traditional tactics in content marketing have changed dramatically since the advent of the internet and the stellar rise of social networks such as Facebook, LinkedIn and others.⁴ More than nine out of ten of North American business-to-business (B2B) marketers used content marketing in 2010⁵ which can be seen as the most important and propagated marketing strategy. But is content marketing still just a thing only big corporations can afford?

¹ O'Reilly 2005.

² cf. Alimurung 2012.

³ cf. Pulizzi and Rose 2011; Lieb 2012: l. 305.

⁴ cf. Lieb 2012: l. 335 f.

⁵ Content Marketing Institute (CMI) 2012: 3.

Not anymore. The internet and especially user-friendly Web 2.0 technologies democratize the means and ways of participation and contribution down to the individual person. Even without a marketing department and without any budget, it is theoretically possible for anybody to delve into content marketing themselves and potentially reach more people than ever before around the world: As of September 2013, 727 million users were reported active each day on Facebook,⁶ 80% of which are outside the United States and Canada.⁷ “Many of the physical and logistical hurdles to creating and disseminating great content are gone,” as Rebecca Lieb puts it.⁸ But because of the oftentimes hasty foray into social media (especially by corporations anxious to miss the hyped social-media train), this does not mean that it is done correctly or the right way for everybody.

Marketing on social media still is a somewhat novel playing field with new rules and tactics where the classical definitions of marketing have eroded in the sphere of social networks. This is not a bad thing per se, especially not for small independent productions. Still, also the Hollywood majors are present online but face the same obstacles as the independents do, as how to reach the right audience or how to stand out of the crowd. While they can afford broad marketing across various media channels, independents literally cannot afford to throw money at the problem.

The thesis at hand seeks to identify areas and methods in marketing of independent productions to stand against the Hollywood majors. The changing paradigms of communication and marketing currently are on their side.

1.2. Literature and Current Research

The author’s research was founded on “*Film Marketing*” by Finola Kerrigan⁹ and expands it in respect to marketing in social media from my findings in Robert Marich’s updated and expanded “*Marketing to Moviegoers: A Handbook of Strategies and Tactics*” (2013).

Soon I arrived at same conclusions as Kerrigan: Literature and texts (traditional as well as digital versions on websites and blogs) in the evolving field of marketing are abundant, although their focus is targeted mostly at corporations seeking B2B interactions or on goods that are not experience-based as films inherently are. Also many of the traditional marketing definitions just do not apply to single creative productions that are not released as part of a slate.

There are a number of books describing marketing from the perspective of producers as in Iljine and Keil (2000) or Rimscha (2010), or the Hollywood film industry as a whole as Marich (2013), while the literature targeted at independent filmmakers as Maschwitz (2007) and Gaspard (2006) are more concerned with the technical intricacies and touch marketing very briefly. In Posner (1993) I found case studies of the production and marketing of independent films, however dauntingly obsolete since a lot has changed in the field of independent film production and marketing since 1993.

⁶ Facebook 2013a.

⁷ Smith 2013.

⁸ Lieb 2012: l. 371.

⁹ Kerrigan 2010.

In art and creative media, however, literature on marketing is sparse. The most valuable resource for the discussion of marketing art was found in Caves (2000), albeit not up today's status quo of marketing paradigms.

1.3. Interest of Research

So because current literature describing the marketing of a single independent film is either nonexistent or incredibly hard to find, this thesis acts as a first approach in marrying the prevalent concepts of today's marketing in the field of social networks with the characteristics of film goods and independent productions.

This thesis is intended to close that open gap that is social media marketing for independent films by examining how traditional marketing in films is/was performed, what the independents' differences and disadvantages to Hollywood major productions are and how this could be improved on with methods from both the corporate and the art world.

In the practical project accompanying this thesis, the producers (Elisabeth Johansson, née Güntner, and the author, who also acted as social media manager on the project) attempted not only to produce an independent film, *Back to the Roots*, but also to market it without a monetary budget. The lessons learned and the employed procedures and methods will be discussed in the last chapter.

1.3.1. Research Question

With what means and methods are marketing managers of self-distributing independent film productions able to effectively advertise and market their product primarily in/via social media without a dedicated marketing budget?

This question poses subordinate questions whose discussion and subsequent answering will determine the overall structure of this thesis:

1. In which aspects relevant to marketing are independent productions different from Hollywood productions?
2. What are current methods and tendencies in the marketing of independent productions and Hollywood productions?
3. What are the advantages of social media for independent productions?

1.3.2. Limitations

This thesis focuses on independent filmmakers with limited resources in money, which they spend rather on production value than on marketing, while at the same time self-marketing and later

self-distributing by the filmmakers themselves where the social media manager is an integral part of the production team.

While perhaps useful, it was not written with filmmakers in mind, who cooperate with distributors who handle their marketing activities and distribution, nor for productions with the intention to leave their communication up to external agencies to promote their work.

Once a film's production has attracted a number of followers and found an audience, monetization of the final film certainly is possible (through video-on-demand (VOD) or on physical media such as BluRay or DVD) but this thesis' interest lies primarily in the methods of finding and keeping interest of one's audience in competition with Hollywood majors' film productions.

1.4. Structure of this thesis

Chapter 2 is concerned with the differentiation of *Hollywood productions* and *Independent Productions* by considering their historical and economic background. This is supplemented by juxtaposing the derived motivations of independents and majors.

Chapter 3 examines the economic properties characteristics of the product *film* relevant to marketing and attunes the definition of marketing films for independents and majors. Based on the findings, subordinate questions #1 and #2 are answered by an subsequent observation of the majors' methods to reconcile their product with the demands of the market, which is compared to the methods and characteristics in marketing independent films.

Chapter 4 introduces briefly how the internet was used as a marketing tool until the emergence of the Web 2.0 led to a tipping point in the conception of the paradigm of content marketing primarily in social networks. An evaluation takes place what this change means in practicality for corporations such as Hollywood majors and independents, and what opportunities and risks independent productions can expect; which answers subordinate question #3.

Chapter 5 now attempts to propose a set of means and methods in marketing independent films on social media by combining the findings from the theoretical discussions with the lessons and experiences learned from the practical project accompanying this thesis and attempts to distil core philosophies.

The final chapter recapitulates the findings from the previous chapters. It further critically evaluates aspects of this thesis and attempts to provide an outlook on starting points for further research.

2. The Film Industry

2.1. Definitions

Before delving into the subject matter, it is necessary to define the terms at hand more closely in the scope of this thesis. The first part deals with differentiating between what will be called (*Hollywood*) *major's productions* and *independent films* (simply called *indies*). To understand the position of today's independent productions better, I will be referencing, combining and expanding on the recapitulations by film marketing researcher Finola Kerrigan (2010) and film marketing journalist Robert Marich (2013) on the historical circumstances that lead to the dominance of the Hollywood majors and, more importantly, the emergence of productions independent from those.

2.1.1. Where to draw the line

At first sight it might be tempting to draw the line between indies and Hollywood productions between art and commerce. Hollywood productions have a reputation of having business interests first and foremost and that any artistic vision is a nice-to-have feature but essentially secondary to a film's marketability. As early as 1930, Hungarian film philosopher Béla Balázs called American films "capitalist films"¹ for he perceived them to be treated like a product, tailored specifically from the very beginning to cater to the most common tastes among the populace: "The economic coercion towards utmost popularity defines the character and social relevance of capitalist film"² (own translation). As enticing in its simplicity and pathos drawing the line between 'art' and 'not art' might be, it is too narrowly considered on one hand and too vague on the other, as it would leave us with the examination of what art is and what it is not.

While Kerrigan herself discerns in her 1999 paper between 'the film industry' and 'cinema' in that respect,³ she now also refers to author and professor of media arts Edward Buscombe who stated that a clear differentiation between pure art and sole industrial works does not exist.⁴ Every film rolling off the figurative mills in Hollywood has (oftentimes many) artistic aspects in its making as almost every independent film needs to draw up a budget and is forced to confront money matters at some point. Hollywood produced artistically highly valued films over the years

¹ Balázs 2001: 146.

² "Der ökonomische Zwang zur größtmöglichen Popularität bestimmt den Charakter und die soziale Bedeutung des kapitalistischen Films." (Balázs 2001: 146)

³ cf. Kerrigan and Culkin 1999.

⁴ cf. Buscombe 1970.

(such as *Citizen Kane* (1941), 2001: *A Space Odyssey* (1968) or the *Lord of the Rings* trilogy (2001-2003), to name just a few⁵), while countless non-Hollywood filmmakers (of varying skill) attempted to recreate formulaic Hollywood films and failed miserably.

Marich (2013) also acknowledges the difficulty in defining independent productions. In his book he arrives at categorizing films as independent that are “[...] not distributed by the six major studios”,⁶ namely the Motion Picture Association of America (MPAA) members as will be discussed more thoroughly in section 2.2.

In order to conclude with a satisfying and precise enough differentiation, we must first consider the history of the medium film, not so much by its content or production methods but from an angle on distribution and marketing.

2.1.2. A Short History of the Film Industry

To understand the film industry’s triumphant run of now more than a hundred years, it is noteworthy that the foundation of the business-model ‘film’ was laid in the US right from the beginning, namely in 1889 when Thomas A. Edison filed nationwide patents for the Kinetograph, the first motor-powered stop-and-go motion picture camera.⁷ Edison also held patents to the Kinetoscope, a device to play back the recorded films. Five years later, the first commercial public viewing parlor for motion pictures opened in New York.⁸

Edison’s organization dominated the early days of film by not only producing the equipment to record and project films but also by creating films in their own motion picture film studio. Profits were made by renting out the projection equipment to the exhibitors and selling them the produced films by the foot, “therefore diminishing any interest in the content of the film”.⁹ Since Edison dominated the lucrative market, other inventors soon came up with their own variants of motion picture cameras to have a piece of the pie that was huge public demand and threatened Edison’s business model. To counter this development, in 1907 Edison stepped forward and formed together with his competitors what would later become the Motion Picture Patents Company (MPPC), known as “The Trust”, to have exclusive control over the US industry from production to distribution; such monopolization common in this period.¹⁰

Since the Trust was excluding new members from joining, soon an opposing coalition of independents was formed (“the Alliance”) that produced films for the American audience in and from Europe¹¹. Many of these early independents came from the ranks of film exhibitors since the Trust would cease supplying those who showed non-licensed (i.e. Trust-produced) films.¹²

⁵ The cited films have been considered to be among the best hundred films of the past century by the American Film Institute (AFI), cf. *AFI’s 100 Years ... 100 Movies. 10th anniversary edition* (2007).

⁶ Marich 2013: I. 4556.

⁷ cf. Chodos 2001.

⁸ cf. *Edison: The Invention of the Movies*: 2.

⁹ cf. Kerrigan 2010: 23.

¹⁰ cf. Kerrigan 2010: 24.

¹¹ Since also Kodak Eastman, manufacturer of film stock, was part of the Trust, the Alliance had to rely on raw Lumière film stock imported from France (cf. Kerrigan 2010: 25).

¹² cf. Aberdeen 2005.

To keep up with the monopoly of the Trust, the independents needed to produce films that were more relevant to their audience and promising enough profit, so that exhibitors would show their films instead, despite risking negative repercussions by the Trust. Those independents were the first to conduct audience research and to fill in the niches they identified which the Trust did not consider.¹³ For example, the audience was eager to watch longer features of higher quality than what the Trust did supply them with. Jeremiah J. Kennedy, head of the Trust at that time, did not believe in producing feature-length films and doubted that the market would ever be ready for this,¹⁴ as did Edison.

Independents also devised the star system and used it as a powerful marketing tool, whereas the Trust companies felt that they made good money without building up their stock actors to stars (who subsequently would demand higher wages). But the audience was willing to pay more to see their favorite actors in new films, thus the independents could charge exhibitors higher rental fees. The huge success was so profitable that also the conservative Trust needed to change their ways in favor of this development.

The independents moved from New York (the center of the film industry in the early 20th century) to California because of year-round shooting conditions and the proximity to the Mexican border, when they needed to escape litigation or the Trust's lawyers.¹⁵

Despite ruthless legal battles against all their successful competitors, in 1918 the Trust was legally brought down and disintegrated. Kerrigan summarizes:

“Despite the relatively short-term impact of the Trust on the US industry, in the long run it can be argued that it was instrumental in the creation of a cohesive, structured and competitive international industry which remains today.” (Kerrigan 2010: 26)

But also the organized independent film exchange that had formed alongside, fragmented as well into distinct groups, each releasing their own films. Among those independents were individuals such as Carl Laemmle and Adolph Zukor. Laemmle was one of the founders of the Universal Studios in 1912, Zukor founded Paramount Pictures in the same year and other known film companies were established in the following decade. Many of the Hollywood majors we know today once had been independents fighting the overwhelming adversary or were founded shortly after in the 1920s.

The true independent productions were films that filled the niches these companies, the majors of today, left open, such as films made specifically for black audiences, like *The Green-Eyed Monster* (1919).¹⁶

It must be noted that it was not just the film production that was dominated by these companies, but also film distribution, for “The Big Five” (Metro-Goldwyn-Mayer (MGM), Paramount, RKO, Twentieth Century Fox and Warner Bros.) owning also theater chains, while “The Small

¹³ cf. Kerrigan 2010: 26.

¹⁴ cf. Zukor 1954: 49, quoted in Kerrigan 2010: 26.

¹⁵ cf. Kerrigan 2010: 31.

¹⁶ cf. Marich 2013: l. 4557.

Three”, Columbia, United Artists and Universal did not. This vertical integration of production, distribution and theaters remained in place as long as the late 1940.¹⁷

As from March 1930, the majors’ productions were organized and they all agreed on adhering to the Motion Picture Production Code, also known as the Hays Code after its enforcer, “that mandated that all studio films be suitable for family audiences and promote prosocial behavior”¹⁸ until the late 1960s. This self-regulation ensured relief from governmental regulations and a steady audience, but also prohibited filmmakers of depicting more authentic views and addressing hot topics such as crime, violence, racism and sex.

In the 1950s, Hollywood had the first major crisis after they were forced by the government to divest the owned theater chains. Additionally, TV slowly permeated the American homes and for fear of losing money, the majors initially refrained from licensing their films for broadcasting.¹⁹ Over the years, various new small film companies were founded and filled the niches not covered by the majors, because these first “independents” did not need to adhere to the strict Production Code. So from the 1950s to the 1970s, these indies provided a number of provocative summer movies for teens and other cheaply produced films with sensational titles to lure in as many people as possible. Artistic expression was not much of a concern for these indies because film still was largely a business, an industry, and films needed first and foremost to generate money for the production company. This was also the most productive decade of the notorious filmmaker Edward D. Wood, Jr., considered as “the worst filmmaker of all time”²⁰ whose legacy includes films such as *Bride of the Monster* (1955) and *Plan 9 from Outer Space* (1959).

The struggling majors were successively bought by conglomerates that in the 1960s sought to dabble in the entertainment business but were soon daunted by the unpredictable financial roller-coaster the film business proved to be,²¹ whereas the independents released one provocatively titled film after the other, such as *Dr. Goldfoot and the Bikini Machine* (1965), *Faster, Pussycat! Kill! Kill!* (1965) and *Night of the Living Dead* (1968), all catering to “undemanding youth audiences”.²² But they also suffered from slumping movie-goer figures and were forced to reinvent themselves by the late 1960s with much more serious, realistic and arguably artistically inclined films, such as *The Graduate* (1967).

Also the majors were pressed for new concepts and one by one they let go of the Production Code they had adhered to since the 1930s. Those first “big-budget versions of edgy cinema concepts”²³ were *Bonnie and Clyde* (1967), *Easy Rider* (1969), and *The Wild Bunch* (1969).

By the 1970s the dust had settled somewhat as the majors “realigned with other conglomerates that were focused on media” which helped to improve their financial performance by aligning film sales and TV licensing.²⁴ The indies where largely thriving on their low-brow youth summer

¹⁷ Marich 2013: l. 4092.

¹⁸ Marich 2013: l. 4084.

¹⁹ cf. Marich 2013: l. 4095.

²⁰ Medved and Medved 1980: cf.

²¹ cf. Marich 2013: l. 4098.

²² Marich 2013: l. 4564.

²³ Marich 2013: l. 4570.

²⁴ cf. Marich 2013: l. 4101.

movies since the 1950's and also the majors began tapping into that market with their own low-budget youth films ever since.²⁵

In the 1980s, Wall Street became a strong influencer not only for the money investors pumped into indies expecting huge profit margins on the novel home-video market, but also the Wall Street *mentality* began to imbue the film business. "For the first time, top studio jobs went to executives with backgrounds in television, movie distribution [...], and marketing",²⁶ highlighting the emerging emphasis of effectively distributing films also on TV and video and less trust on executives' "gut instincts" because it also was the decade of increased market research performed by Hollywood majors to strategically craft blockbusters instead of hoping for serendipity. By the end of the decade the generously funded independents tried to compete head-to-head with Big Hollywood but toppled from unwise decisions, retaliating investors, accounting scandals and bad investments. Financially on rock bottom, they needed to reinvent themselves once more.

In the 1990s, a short but intense golden age for the majors dawned (not only in the US) thanks to the advent of commercial pay-per-view (PPV) or subscription based TV channels. Accompanied by the building of overseas cinema infrastructure and the 1997 introduction of the DVD format to the American market, Hollywood was flush with capital and produced glossy entertainment for the masses while the independents were forced to adapt in order to compete. Once again, there were opportunities for darker, edgy films away from the now polished, epic mainstream-productions' glossy coat.

Some independent publishers flourished because of foresight and wise decisions, most notably Miramax that had been founded in the late 1970s by the Weinstein brothers. The majors took notice and transformed the industry by simply buying strong independent distributors, keeping their names as labels and merging their films with their own libraries.²⁷ In turn, this led to an explosion in the marketing costs across the industry because low-budget films and the remaining true independents had an even harder standing against the majors that were branching out into the niche-domain of the indies.

But why would majors buy independents? One reason was to also cater to niche markets and scoop favorable reviews from artistically inclined critics. On the other hand there was the economic rationale from generating value in side-markets such as selling TV rights and DVDs, the cash-cow of the late 1990s and early 2000s.

In that period, funding for independents underwent a transformation. Unusual investors and funding methods popped up, "such as insurance-backed film loans and gap-financing (that is, lending against estimated values of unsold film rights), [which] eased financing of indie films,"²⁸ however this trend ended with the sudden burst of the dot-com bubble when investors across the board were scared away by any risky endeavors.

In 1999 one independent film with an estimated budget of \$60,000 then shook up the traditional marketing landscape for the first time: *The Blair Witch Project* (1999) used the internet to spread

²⁵ cf. Marich 2013: l. 4206.

²⁶ Marich 2013: l. 4037.

²⁷ cf. Marich 2013: l. 4467 ff.

²⁸ Marich 2013: l. 4549.

rumors and fake video clips to then unsuspecting web-surfers generating an immense buzz and led to a film with a gargantuan combined worldwide gross of \$248,639,099.²⁹ Yet as great of an achievement as this proved to be, it is hardly possible to reproduce because people could only be fooled once and grew suspicious of similar attempts.

By the late 2000s, in an effort to cut costs, the majors disposed of many of their independent labels and focused on bigger productions instead, also determined by the plummeting DVD sales, which had been the main revenue stream for major-released independents thanks to waning interest and piracy. Another reason was the increased cost and scope of these studio-‘indies’ that suddenly began to compete with their own blockbusters.

In recent years, all the major’s executives sport a strong marketing and/or agency background, something that would have been unthinkable half a century ago, and showcases the high importance of marketing in the film business nowadays, whereas the independent scene is much more fragmented and operates with lower budgets than ever before.

2.2. Hollywood Majors' Productions

As mentioned above, Marich categorizes films that are “not distributed by the six major studios”³⁰ as independent; in consequence indirectly defining Hollywood major productions as well. I will follow this categorization, yet with certain expansions and limitations as I will discuss below.

In summary, the early majors’ success was rooted in their attempt to understand and deliver to the preferences of the audiences by research and marketing i.e. they showed market awareness early on. This concept proves to be so successful that even a hundred years later they still adhere to the simple principle, “give the audience what they want”, as also explored here in section 3.3.1, p. 43.

2.2.1. Artistic expression is secondary

Artistic expression, while wanted and necessary, is secondary to the studio (however, certainly not to the talent in question) and has to fit inside the boundaries of marketability as early as the script assessment stage.³¹ Artistic vision must be confined within the framework set by demographics and popularity beforehand. Béla Balázs in 1930 also noted that:

“Film directors can surely exhibit their personal characteristics just as writers have their own style, albeit only as much as the common comprehensibility and popularity, and thus the profitability of a film, is not compromised.” (own translation)³²

²⁹ cf. Box Office Mojo 2013.

³⁰ Marich 2013: l. 4556.

³¹ cf. Marich 2013: l. 741.

³² “Filmregisseure können wohl auch ihre persönliche Note haben wie Schriftsteller ihren persönlichen Stil. Jedoch nur soweit die Allgemeinverständlichkeit und Popularität, also die Rentabilität des Films nicht gefährdet ist.” (Balázs 2001: 145)

While majors occasionally produce artistically highly praised masterpieces, art is not part of the equation; and it is not part of their business, while they still attempt to balance their productions with more thought provoking releases,³³ such as *Schindler's List* (1993), *The Green Mile* (1999), or recently *12 Years a Slave* (2013). Still:

“The overriding objective of major studios is to distribute films that are profitable. If the films are engaging, witty, and thought provoking and win awards, that's simply icing on the cake but not the first concern. Studios want films that are as creative as possible without sacrificing marketability.” (Marich 2013: l. 4096)

This historically long tradition of finding and catering towards the broadest audience possible I see as one characteristic of Hollywood productions in comparison to independent films.

2.2.2. Majors are banks

There hardly are middle-sized production companies in the US, Lionsgate Entertainment and The Weinstein Company (TWC) seem to be among those few, because “the movie business is capital intensive with unpredictable swings, both down and up. Large size is necessary to ride out financial and cyclical vagaries endemic to the business”.³⁴ In other words, film production companies either have to become “too big to fail”³⁵ or so small that their financial risk is low.

Because of this scale, Marich suggests to treat those majors less as active film production facilities but as banks that contract production talent because of their high volume of liquid funds. The crucial point is that they can sell their films directly to theaters around the world, which independents and even renowned European or Asian film productions simply cannot. “One consequence of their distribution muscle is that the major studios are perfectly suited to market big, glossy mainstream films but not specialized films”.³⁶ Their financial foundations are their individual libraries of thousands of films of a major's lifetime which generates enough profit ‘for free’ that even bad years with lots of failures can still be compensated for without fearing bankruptcy.³⁷

The most profit is made from selling movie tickets because this way assures that exactly one person per ticket sale gets to see the film.³⁸ Additionally, those companies (usually) are publicly listed and hence have the purpose to make profits for shareholders. This necessitates that these productions compromise content over commerce, again, to convince enough people to pay to see a film to make profit. This is not a ‘bad’ thing *per se* and I am not delivering value judgements about this practice.

³³ cf. Marich 2013: l. 4009 f.

³⁴ Marich 2013: l. 3993.

³⁵ The combined majors' fiscal revenue of 2001 weighs in at a spectacular \$ 44.3 billion. (cf. Marich 2013: l. 3996).

³⁶ Marich 2013: l. 4002 f.

³⁷ cf. Marich 2013: l. 4071.

³⁸ cf. Marich 2013: l. 4066.

2.2.3. Thinking Big

Marketing executives have a very big influence on films because they are brought in at a very early stage in development and decide whether a production will have sufficient box-office potential.³⁹

Because of the immensely high marketing costs, blockbusters need to attract a broad audience to at least break even on the investments. These big budgets (starting at \$5 million up to \$300 million and more⁴⁰) allow and call for ubiquitous marketing to reach millions of people. Because of this broad interspersedness of our pop-culture, these majors can build certain actresses and actors to film stars everybody knows about. In turn, star talent (not only actresses and actors, but also star-directors, star-composers, etc.) demand very high fees for their performances that only major productions can muster.

2.2.4. Producing Slate

Further, the amount of budget involved makes it possible (and necessary) to produce a slate (of films). This term "[...] refers to a situation where one company has a number of films in various stages of pre-production, production and post production simultaneously."⁴¹ Each film's revenue finances the next steps for the films in the production queue, whereas a big chunk of a major film's budget is spent in marketing: "What is little understood, even in most of Hollywood, is that total global spending on release prints and theatrical advertising actually surpasses the costs of making films."⁴²

2.2.5. External Creativity

Majors hire (multiple) outside agencies to create marketing materials and strategies for their films, oftentimes pitting them against each other in a creative competition. Occasionally, some majors had in-house advertising agencies but the tendency favors outsourcing of these services because these "creative boutiques" are specialized on profiling and gauging consumer behavior and the market in general and craft marketing material such as trailers, posters and other advertisements (ads) accordingly.⁴³

2.2.6. Summary

This cycle of renowned star talent, high production value, externally created marketing materials, enormous spending on marketing, slate producing and the corresponding necessity to target

³⁹ cf. Marich 2013: l. 4061.

⁴⁰ According to Iljine and Keil (Iljine and Keil 2000: 112) as well as Marich 2013: l. 4280, a budget up to \$5 million is considered "low". At the time of publication, the biggest budgeted film was *Pirates of the Caribbean: At World's End* (2007) with an estimated production budget exceeding \$300 million (*IMDb Pro: Pirates of the Caribbean: At World's End: Business*).

⁴¹ Kerrigan 2010: 48.

⁴² Marich 2013: l. 77 f.

⁴³ cf. Marich 2013: l. 179 ff.

a broad demographic as audience are the core defining characteristics of major productions in this thesis.

The goal of majors is to create profits. For this purpose they produce products with a high value for their consumers who may view those films in exchange for money. The money enables the production of subsequent films and (ideally) realizes a profit.

In concrete words, with the term *Hollywood films* this thesis refers to films created by the six Hollywood majors comprised by the members of the MPAA: Disney Studios Motion Pictures, Paramount Pictures Corporation, Sony Pictures Entertainment Inc., Twentieth Century Fox Film Corporation, Universal City Studios LLC, and Warner Bros. Entertainment Inc.⁴⁴ and, here I expand the definition from Marich, including their labels⁴⁵. Additionally, also studios and publishers owned by holding companies, private equity firms, conglomerates and such (e.g. MGM Studios Inc., DreamWorks Entertainment, Spyglass Entertainment, etc.) who have the necessary budgets for classical marketing campaigns, contracting star talent and who are slate producing.

The studio-owned indies still operate largely autonomous marketing in the US because it requires a different mentality and different strategies in marketing niche-targeted films.⁴⁶

2.3. Independent Productions

Today's indies have become independent from the majors,⁴⁷ especially from their connection to renowned stars and budget, but also from targeting specific tastes or the largest group of possible audience. Because of the big influence of the majors today in many segments and niches, current-day independent films are not made as much as to gross money for the producers, rather as an artistic expression of the filmmakers seeking to communicate a social commentary or message with their film.

2.3.1. Limitations in the terminology

Marich considers medium-sized publishers such as Lionsgate and TWC also as independents for they are not being owned by the conglomerates controlling the MPAA majors. Marich writes, that:

“Indie companies can be divided into two camps. True independents do not have major-studio backing; examples include Lionsgate Releasing [...], then there are indie-film divisions owned by major studios, such as Fox Searchlight [...], and Sony Pictures Classics [...].” (Marich 2013: l. 4223)

⁴⁴ MPAA 2013a.

⁴⁵ The reason for majors operating different labels that produce the more “edgy” film is to “insulate themselves” against “consumer backlash” while still being able to produce controversial films, that oftentimes are favored by critics and are Oscar candidates. (Marich 2013: l. 4016)

⁴⁶ cf. Marich 2013: l. 4471.

⁴⁷ cf. Iljine and Keil 2000: 112.

While the studio-owned “independents” have connections both financially and marketing-wise to their parents, the others do not. Still, I categorize both of Marich’s camps and other mid-sized independent publishers here as *Hollywood* because of their properties of being publicly listed, slate producing, production and marketing budgets exceeding one million USD,⁴⁸ and access to stars⁴⁹.

It should also be mentioned that seemingly independent publishers such as Miramax or Touchstone Pictures are either a mere brand name belonging to one of the majors (as is the case with Touchstone Pictures) or are also owned by investment groups⁵⁰ and hence have access to the advantages their parent companies offer—most notably financially.

While films often are discerned between being a fictional work or a documentary, this thesis addresses both equally, because documentaries also tell stories with overarching narratives, have a visual style and most many other features of fictional works. While not emphasized in each case, the presented concepts work for documentaries as well unless explicitly stated otherwise.

2.3.2. Message / Vision

In comparison to the definition of the majors, independent films do not actively seek to target a broad audience before conception. Granted, most of those films still are written with a certain audience in mind.

They also are independent from the control of any financially motivated input from external stake-holders. Paramount to them is the integrity of their vision over catering towards a bigger audience at the expense of this artistic message. While independent films can be entertaining to the audience, it never is entertainment for its own sake but a vehicle to better communicate the intended message. That is why unlike what I call art films (cf. 2.3.5), independent films deliberately and selectively borrow from the established aesthetics, conventions and language of the medium film to provide familiar hooks for a media-literate audience to convey their vision in a comprehensible fashion. Again, this is not done for tapping into a mass-audience or to bluntly imitate Hollywood films, but to make it easier (and less demanding) for their audience to follow.

2.3.3. Small Budgets

An independent production does not need to gross large amounts of money to cover not only for their production but also their marketing and distribution efforts. Because independents have a very small budget (below half a million US-dollars, usually between \$ 10,000 to \$ 250,000⁵¹) it is spent for the most part on creating the actual film as compared to marketing and distribution.

⁴⁸ cf. Marich 2013: l. 4214.

⁴⁹ cf. TWC (2013) and Lions Gate Entertainment, Inc. (2013)

⁵⁰ Miramax was sold by Disney in 2010 to Filmyard Holdings, LLC, a private holding company (cf. Cieply and Barnes 2010).

⁵¹ cf. to table 3 on page 102 for a tabulated listing after Gaspard (2006).

Their preferred methods of acquiring funds is to tap their own savings and friends and family chipping in, nowadays also crowdfunding is an option.⁵² The budget is small, but the risk is assessable because independents seldom expect a tangible return of investment (ROI) and hence accept that the money that went into a film is essentially sunk.⁵³

The key factor to them is clever spending as much of their resources on visible production value, because a film's quality sustains its value longer than a spatially and temporary limited advertising campaign. Maschwitz (2007) describes production value as being "one of those 'perception is reality' things—if the movie *feels* big to the audience, then it is big".⁵⁴

Thanks to the digital revolution, today making a movie with the same budget as 20 years ago will show a much bigger production value because of the digital workflows the production costs have decreased. Because of digital cameras delivering high quality footage, independents do not need to spend funds on film stock, prints and editing facilities, for example. Also costly (and expensive) special effects can now be carried out as visual effects and greatly enhance a film's production value, if the artists involved are sufficiently skilled. Education on film and digital effects is much broader available than ten years ago and courses and tutorials are also easy and plentiful to be found online. In other words, it has never been cheaper to produce a low budget film.

Instead of equipment and consumable material, the main expenditures are now catering, transportation and accommodation⁵⁵.

2.3.4. Project based approach

Independent productions most often are formed for the purpose of creating one single film. They are not producing a slate (of films) or see themselves as studio productions, rather as a project group for one single film-project first and foremost.

What they lack in production value, they make up with passion, authenticity and a clear vision, that remains much clearer because independents tend to follow the European tradition of *film d'auteur*, meaning the director often also (co-)writes the screenplay and strongly influences the shape of the film from inception to its release.

Table 1 on page 29 provides a tabulated overview of the differences between the different productions in accordance of this thesis.

2.3.5. Limitations in the definition

Regarding the term "independents" which this thesis is concerned with, I want to emphasize once more that it is not to be mistaken for the independents in the early 20th century which

⁵² cf. Eidinger 2012.

⁵³ cf. Caves 2000: 3.

⁵⁴ Maschwitz 2007: 14 f.

⁵⁵ A chart illustrating the distribution of costs for *Back to the Roots* can be found in appendix section A.3, p. 103.

became the dominating Hollywood majors, as outlined in section 2.1.2. Further, independent film *productions* or independent *producers* are different from independent *publishers*. Films that were created independent of the majors and whose producer(s) only seek to *distribute* their film via a brand of the majors, still are considered independent in the context of this thesis. However, the focus here lies on independent productions that are seeking to self-market and self-distribute to their audience.

Certainly, there is a multitude of films that neither fall into the category *Hollywood* nor *Independent*. This is not a matter of genre or format, rather I want to draw the boundary around the intended audience. If a film is entirely raw self-expression of the creator(s), and the very same people creating the film are also their only audience, I will refer to it as an *art-film* to differentiate this kind of films from independent films. These films *can* have audiences other than its creators but usually do not. Films in this category are, for example, *l'art-pour-l'art* experiments, recordings of performances but also video documents of events such as vacations, weddings, and home-videos in general. Another property of this kind of videos is the emphasis on face-value and lack of narrative depth, a video of a wedding is about that wedding; a video of an artistic performance is about that performance, whereas it is the performance itself that follows a deeper concept. I am aware of the shortcomings of this categorization, however for the purpose of this thesis it will suffice.

2.3.6. Summary

Independent productions have a different philosophy in creating films than the majors. Their primary motivation is creating a film with a message that can also entertain rather than entertainment with a supplementary morale or message. Because of that, they have to rely on small, self-acquired production money that they spend largely on the production itself. Expenses for anything other than delivering production value to the film, such as marketing are avoided, the producers themselves are not (sufficiently) financially compensated or paid in accordance to (legally binding) wage agreements for their contribution. Usually an independent production team creates one film at a time and accompanies it in a project-based fashion from inception to release with all their available resources.

The goal of independent productions is to get attention for the filmmaker(s)' artistic vision, which they may or may not subsequently leverage against monetization. For this purpose, they generate a product of cultural value which they exchange for the attention and engagement of their consumers.

Independent and hence low-budget films are important as being the cutting edge (oftentimes also the bleeding edge) of finding new ways in the medium and also in the market,⁵⁶ much like the early independents from the 1900s innovated and forced the Trust to adapt.

⁵⁶ cf. Iljine and Keil 2000: 137.

Because of the low financial risk and the devotion to creating an authentic work of art, independents have the advantage to explore new ways (concerning aesthetics as well as marketing) and, ideally, might open up Blue Oceans altogether.⁵⁷

| Hollywood Productions | | Independent Films |
|----------------------------------|------------------------|-------------------|
| Unique selling proposition (USP) | | |
| stars & production value | | authenticity |
| | Goal | |
| profit | | attention |
| | Priority | |
| audience appeal | | artistic vision |
| | Audience | |
| broad demographics | | narrow group |
| | Production Environment | |
| slate focused | | project based |
| | Budget | |
| high (millions) | | low (thousands) |
| | Marketing Budget | |
| > 50% of budget | | < 5% of budget |
| | Marketing | |
| externally supplied | | self-publishing |

Table 1.: Differences between Hollywood major productions and independent films (own interpretation, 2013)

⁵⁷ cf. Kim and Mauborgne 2005.

3. Marketing Films

The previous chapter provided us with a differentiation between Hollywood majors and independents by their motivations and goals, while both employ the same kind of product (or “offering”), film, for reaching those goals. This chapter identifies the properties and economic characteristics of film relevant to marketing before carving out seizable definitions of marketing tailored to independents and majors.

For answering the thesis’ subordinate questions #1 and #2, an observation of the majors’ methods to reconcile their product with the demands of their consumers follows and is complemented by the traditional marketing characteristics of independent films.

3.1. Economic Properties of Film Goods

Before taking a closer look at definitions of marketing, it is necessary to understand the properties of film goods from a marketing perspective first, since films are different from other products and services in a number of aspects. Because of this emphasis on the economic features of film, properties of its form and content (such as plot, cast, cinematography, genre) are largely ignored. Moreover, a film’s audience is at the center of my considerations and possible benefits or disadvantages of intermediary parties (most notably movie theaters and exhibitors) are factored out as well.

3.1.1. Films are goods

In classic topical literature between 1914 and the late 1950s, films have been considered to be economic goods, governed by economic necessities and intended for mass distribution, whereas only a few filmmakers (such as Sergei Eisenstein and Vsevolod Pudovkin)¹ and intellectuals outside the USA postulated theories about the medium and examined both the theoretical and the practical aspects of the art of film, not its commercial nature. By the 1960s this appreciation that films could also be works of art gained an accepted academic and societal level.² This new ideology introduced conflict into the definition of films as goods, a conflict between profit and the creation of our western society’s “cultural values”.³ History however has necessitated and established the economic priority of a film production over artistic value and thusly film still

¹ cf. Balázs 2001: 34.

² cf. Schweitzer 1996: 12 f.

³ cf. Schweitzer 1996: 13.

needs to be considered an economic good⁴ for the following considerations of this thesis (also in an independent context) whose constituting properties shall be identified in the following paragraphs.

3.1.2. Films are experience goods

Kotler et al. (2007: 627 ff.) offer two ways to classify products either by their durability (soft goods and durable goods) or by their customers (consumer goods and industrial goods), the latter classification encompassing also consumer goods sub-classes:

- Convenience goods, differentiated by
 - regular demand, e.g. foodstuffs, toothpaste, newspapers,
 - occasional and unscheduled demand, e.g. low-value impulse purchases,
 - urgent need, e.g. band-aids, tissues, batteries, etc.,
- search goods, consumers invest time and effort in research (e.g. electronics, furniture, or automobiles),
- speciality goods, goods with a unique character where the price does not matter much to the consumer (e.g. rarities, high-end electronics, jewelery),
- unsought goods, consumers do not know (or want to care) about, e.g. insurances, donating blood, pledge drives, etc.,

Interestingly, films hardly fit into any of the provided classes and most likely can be considered among shopping goods, speciality goods or even unsought goods. Nelson (1970), however, introduces *experience goods* and contrasts them with search goods, postulating that “experience will be used when search becomes too expensive”⁵ and purchasing decisions are based on experiences with a brand or product rather than search.

The value of most products usually can be assessed in advance by a prospective customer, whereas films and other entertainment media can only be assessed by the act of consumption.⁶ This presents a paradox of the process of customer inspection being concurrent to the product’s consumption—which the producers prohibit, as it would be equivalent to providing the entertainment free of charge.⁷ *paradox*

While the producers know everything about their film, how it came into existence, its plot, every nuance in its characters or the oftentimes adventurous intricacies in its making, they don’t know

⁴ “Stellt man weniger den kulturellen, denn den Marktwert des Films ins Zentrum der Betrachtung, so ist der Film als Gut oder allgemeiner als Leistung zu charakterisieren, deren Wert sich aus einem Zusammentreffen von Leistungsangebot und Leistungsnachfrage konstituiert” (Schweitzer 1996: 1). “If one considers film’s market value over its cultural value, then it can be characterized as good or, more general, as service whose value is constituted by the convergence of performance offering and performance demand.” (own translation)

⁵ Nelson 1970: 318.

⁶ cf. Rimscha 2010: 60 f.

⁷ cf. Nelson 1970.

whether and what kind of people will enjoy watching it. This poses the situation of innate “asymmetry of information with hidden product properties”.⁸

Further, the individual benefit of watching a film rarely extends beyond the duration of consumption⁹ as most other services do.¹⁰

In summary, customers are unable to inspect the quality of a film and hence are reluctant to pay for it in advance.¹¹ They also cannot reliably draw on past experiences since every film is (expected to be) different and essentially a new product, as will be discussed in the following section.

3.1.3. Films are created through creative activities

Caves (2000: 1 f.) points out that economists have studied various industries for their individual features in the economy and on the marketplace (such as pharmaceuticals, computer chips, chemical processes etc.) yet have been largely ignoring the creative industries that are

“[...] supplying goods and services that we broadly associate with cultural, artistic, or simply entertainment value. They include book and magazine publishing, the visual arts (painting, sculpture), the performing arts (theatre, opera, concerts, dance), sound recordings, cinema and TV films, even fashion and toys and games.”
(Caves 2000: 1)

While it has been attempted to prove that artistic workers basically are performing the same economic tasks and decisions than in the other industries,¹² Caves stresses instead that the “creative goods and services, the processes of [artistic] production, and the preferences or tastes of creative artists differ in substantial and systematic (if not universal) ways from their counterparts in the rest of the economy [...]”.¹³ This also means that the economic properties of creative goods and activities differ from non-creative ones. Caves (2000: 2 ff.) identifies and names seven of those, which I will sum up and complement in the following paragraphs briefly with an emphasis on film.

- *nobody knows*, uncertain demand
- *art for art's sake*, creative workers care about their product
- *motely crew*, a diverse skill-set
- *infinite variety*, differentiated products
- *A list/B list*, vertically differentiated skills
- *time flies*, temporal coordination

⁸ cf. Rimscha 2010: 69.

⁹ This property is undergoing change today, as communities can form around cherished experience goods.

¹⁰ cf. Nelson 1970.

¹¹ cf. Akerlof 1970.

¹² cf. Grampp 1989.

¹³ Caves 2000: 2.

- *ars longa*, the durability of creative products and their rents (i.e. royalties)

Nobody knows: It is impossible to gauge how exactly an audience will value a film, i.e. be willing to pay to see it, regardless of how costly its production was. In contrast to other products whose production costs can be deduced from a projected demand, films are produced and the costs are completely sunk into the product before knowing about demand.¹⁴ A film's success or failure can never be fully estimated in advance, as MPAA president Jack Valenti pointed out in his annual "state of the industry" address in 2001:

"No one is capable of accurate forecasts in a business/art form where to be guided by logic is to deal in illusion. Our enterprise is a simple one. If you make and market films that many people want to see, you will do very well. If you make and market films that few people want to see, you will not do well. That is the exquisite simplicity of the movie industry." (Valenti quoted in Music Industry News Network (2001))

Art for Art's Sake: The filmmakers care to a great extent about the quality of their product, far beyond what an average audience might notice or value. Essentially, they make their films for other filmmakers who will notice the "finesse of execution"¹⁵ (or lack thereof) that went into the final product. Additionally, artists do not ration their output in relationship to how much they get paid for it (if anything)¹⁶. Sennett (2007: 103 ff.) also identifies this behavior as "craftsmanship", as "doing something well for its own sake",¹⁷ yet Caves adds that "[a]rt claims a superior reality that separates the artist from the craftsman".¹⁸ From a marketing and management perspective this is problematic because artists oftentimes are unable to restrain their creativity or focus on (what are to the producers) 'unimportant' details, further they "cannot know and cannot pretest whether [their] creative vision will prove equally compelling to others",¹⁹ which plays into the *nobody knows* property.

Sennett: Craftsmanship

Motely Crew: Especially the production of a film requires the coordinated participation and the individual skills (and aesthetic values) of different artists. While in traditional manufacturing and services human resources are exchangeable to a certain extent (i.e. the personal tastes of the person packing a product into a carton do not matter at all to neither product nor consumers), artists are not. One director of photography (DoP) new to a film production is likely to frame shots quite differently than any other DoP and also figuratively brings a new perspective and dynamic into the team of the other filmmakers which also must be considered.

Infinite Variety: Artistic products are hard to compare against each other in terms of benefit to the customer because this depends on the individual tastes of the audience. If products A and B are priced equally, but product B is lacking one feature of product A, then product A will be

¹⁴ As will be discussed later, Hollywood majors employ a number of tools to estimate (and generate) demand as effectively as possible. Despite all these efforts, there still are enough films that fall flat.

¹⁵ Caves 2000: 4.

¹⁶ In comparison to artistic inputs in a creative product, "[h]umdrum inputs demand a wage at least equal to what they [employed workers] earn in the outside market for inputs of their type. They do not care who employs them or what task [...], [t]hey are just in it for the money" (Caves 2000: 4).

¹⁷ Sennett 2007: 104.

¹⁸ Caves 2000: 4.

¹⁹ Caves 2000: 5.

chosen over B. Films however, are never identical and offer different value for different people. While a glossy Hollywood film may be considered ‘better’ than an independent drama with poor production quality by some, others may prefer the indie drama because of its plot and disregard its technical shortcomings, while still others especially enjoy watching films exactly because of their lacking production value. This variety again is part of the *nobody knows* property. It is hardly possible to ‘objectively’ compare films by their value to the audience.

The undertaking of creating a film can be seen as a *project* rather than routine processes or single tasks as in manufacturing, for example. Projects in general can be defined by their distinct features such as being novel, target-oriented, delimited, complex, dynamic, interdisciplinary, and profound.²⁰ Likewise, every film is intended to be different from all the other movies, making marketing for them “analogous to ‘new product’ launches”.²¹

A List/B List: Caves gives an example in which “Hollywood’s screenwriters, directors, and producers will largely agree at any one time on who are the ‘A list’ and the ‘B list’ screenwriters. In the terminology of economics, these creative inputs are themselves vertically differentiated”,²² meaning that there is a ranking among artists. This matters especially in films because of the high stakes in money involved: “The relevant economic concept is the differential rent—the extra total amount that people will pay to see a movie with an A-list star over the same film with a B-list star”.²³

Time Flies: Especially films are very complex to manage because not only do they involve the different visions of the filmmakers, but additionally the timely coordination of resources for the various stages of production. Because of this coordination, delays are increasingly costly the later in the project they happen (such as missing a film’s launch date that had been heavily advertised). Personally, I see this not just a property of creative productions but of new product launches in general.

Ars Longa: While film goods may seem intangible at first, in effect they are durable. Not the showing itself but the film’s distribution over various media such as DVD and BluRay sales, licensing to TV stations or digital VOD distribution. While the costs of producing the original product are sunk in the past, these streams still trickle in. The combined revenue from a Hollywood major’s library of past films is the safety-net against weak years and multiple box-office bombs.²⁴ Again, I see this property not solely applicable to creative goods but also part of subscription based services.

Out of these seven properties and activities, I find the *nobody knows* and *infinite variety* best suited to describe film goods, whereas the others are more concerned with the creative artists and their activities or properties that do not only apply to films.

²⁰ Patzak and Rattay 2009: 20.

²¹ Marich 2013: l. 116.

²² Caves 2000: 7.

²³ Caves 2000: 8.

²⁴ cf. Marich 2013: l. 4074.

3.1.4. Films are hybrids

Further it has to be acknowledged that films must be considered a service or at least a hybrid of product and service. Schweitzer (1996) notes on the performance character of film that conforms to “consumptive services”²⁵ and it follows both definitions of product and service as provided by Kotler et al. (2007):

“A *product* is any object, that is offered on a market for the purposes of being viewed or watched, chosen or elected, purchased, used, and consumed and is suited to satisfy needs or desires.” (own emphasis and translation)²⁶ *product*

Services on the other hand are intangible; service provider and service user are both involved in the process; the service quality can vary greatly; services are only available at the time of their creation and must be used timely, there is no tenure for users, and a limited access window.²⁷ *services*

Certainly, films can be bought on media and are suited to satisfy desires such as entertainment thusly display the features of being a product. However, watching a film in a movie theater or online transforms it to being a service by the exhibiting party because the film itself

- is intangible,
- generates its value for the audience during the act of being watched,
- can be enjoyable or tedious, depending on individual tastes,
- is played according to a schedule,
- cannot be owned by audience.

Because of the aggressive use of copy protection by distributors, additionally it can be assumed that consumers who bought a film on a medium (such as a DVD) only own the medium, not a copy of the film itself. With their purchase they only obtained the license to view the film privately²⁸. Also films usually are rented to exhibitors, either as physical rolls of film or as a Digital Cinema Package (DCP), temporarily unlocked by a cryptographic key provided by the distributor. *copy protection*

In marketing and product policy there is a differentiation between material goods (such as consumable goods, durable goods, industrial goods), and immaterial goods (services). Dealing with bundles of both features are considered *Leistungspolitik* or “performance policy” (own translation) with *customer benefit* at its core,²⁹ which also applies to films. *Leistungspolitik*

²⁵ cf. Schweitzer 1996: 27.

²⁶ “Ein Produkt ist jedes Objekt, das auf einem Markt zur Beachtung oder Wahl, zum Kauf, zur Benutzung oder zum Verbrauch oder Verzehr angeboten wird und geeignet ist, damit Wünsche oder Bedürfnisse zu befriedigen.” (Kotler et al. 2007: 623)

²⁷ cf. Kotler et al. 2007: 728 ff.

²⁸ A screengrab of an exemplary copyright notice on a DVD is presented as figure 4 in the appendix, p. 101.

²⁹ cf. Bruhn 2007: 123 f.

3.1.5. Summary

Because the following sections and chapters will draw on the identified economic properties of films, inspired by Caves (2000), I emphasized the phrases corresponding to prior discussion to serve as easily identifiable tropes without lengthy footnotes or rehash.

Every new film is a new product that the market has never seen before (**infinite variety**), consumers want to inspect it whether it will suit their needs before committing a purchase decision. But since films are experience goods, they cannot be inspected by potential consumers prior consumption posing the **marketing paradox of experience goods**: Having people assess a film means they also consume it and are not inclined to pay for it afterwards, because customer benefit only occurs in and during the act of consumption. The entertainment value a film provides is highly subjective where “the buyer’s satisfaction will be a subjective reaction”³⁰ to it. Since films are created through creative activities, it is impossible even/especially for the creators to gauge audience reaction (**nobody knows**). Additionally, the costs in creating the product are completely sunk before its completion which adds to the high risk factor. The same applies to different degrees also to other experience goods such as music, books or games.

3.2. Marketing

With a comprehension of the economic properties of film goods and their potential for problems in marketing, we must now consider what marketing means to majors and independents who each have different goals³¹.

The field of marketing is extensive and a discussion of the various approaches, angles and practices in terms of film marketing would go beyond the scope of this thesis in length and applicability. Instead I relay a brief historical overview of the marketing orientations as discussed by Adcock, Halborg, and Ross (2001), Kotler et al. (2007) and in part also in Bruhn (2007) to sum up the different perspectives of marketing in different times and their evolution towards the current paradigm which this thesis will refer to subsequently. Then I discuss the broad foundational academic marketing definitions by Bruhn (2007), American Marketing Association (AMA) & Kotler et al. (2007), what drives consumers to watch movies and what aspects they base their decisions on.

3.2.1. Marketing Paradigms

While marketing has been around since the early days of industrialization, the focus was relatively narrow on *production* of consumable goods by leveraging on the economies of scale (reducing costs by manufacturing high numbers). By the 1950s the *quality* of a product came into focus, assuming potential customers would be drawn towards products offering a higher quality

³⁰ Caves 2000: 3.

³¹ cf. 2.2.6 & 2.3.6.

over merely the cheapest product on the market. Additionally, in the 1950 and 1960 also aggressively *selling* high numbers of the product was of great concern, without giving much thought to addressing the desires of consumers as such in practice. In the 1970s seminal works on a more balanced *marketing* approach began to resonate with more marketers, emphasizing on a marketing plan with attention to the desires and needs of prospective customers,³² while the concept of the marketing mix,³³ the orchestration of different approaches working together, was *marketing mix* also gaining traction.

These aspects, however, were all transactional and focused on selling a product first and foremost by employing marketing tools, classified by McCarthy (1960), as the 4Ps, standing for price, *4Ps* product, promotion and place (meaning distribution). This “inside-out perspective” became disputed and contested because of not being able to address certain consumer expectations and their noticeably increasing resistance against aggressive 4Ps-marketing.³⁴

From the practice of B2B interactions, *relationship marketing* emerged in the 1980s where building and maintaining good relationships with one’s customers was emphasized. It was also a decade where environmentalist political parties (“green” parties) were founded throughout in Europe³⁵ because of a growing concern for society and environment. This also fostered the development of the *societal marketing* approach by the end of the 1990s, combining the properties *relationship marketing* of relationship marketing with refraining from shady environmental and social practices, e.g. in *societal marketing* production, selling methods, working conditions, etc.

Kerrigan (2010) exemplifies how the term *marketing* has shifted by the revised definitions of *shift of term* the AMA over the years (the organization’s roots reach back as far as 1915³⁶). For a long time, the AMA’s definition also had a corporate perspective at its center: According to Grönroos, in 1994 marketing was considered as being “the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals”³⁷.

In 2004, the definition had evolved to marketing being “an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders”,³⁸ so a shift away from definite practices (conception, pricing, promotion, and distribution) towards “delivering value to customers” has occurred. Further, the relationship to the customers has been addressed *value* here. Yet still “the organization and its stakeholders” are at center of the definition.

If we now look at the AMA definition of almost a decade later, it is obvious that marketing is seen as a more holistic activity, if not a whole philosophy, today:

³² cf. Adcock, Halborg, and Ross 2001: 15 f.

³³ cf. Borden 1984.

³⁴ cf. Bruhn 2007: 30.

³⁵ cf. Jordan (2013: 1), Bündnis 90/Die Grünen (2009), Wirz et al. (2013: 2), Green Party (2013)

³⁶ AMA 2013a.

³⁷ Grönroos (1994) cited in Kerrigan (2010: 3).

³⁸ Hunt 2007.

“Marketing is the activity, set of institutions³⁹ [sic], and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.” (AMA 2013b)

This paradigmatic shift towards relationship marketing and societal marketing is the current norm because the importance of building relationships with one’s customers has been acknowledged as a viable centerpiece of marketing.⁴⁰ Instead of the 4Ps of transactional marketing, the 3Rs of relationship marketing are the tools of choice for customer recruitment, retention and recovery.⁴¹ 3Rs

3.2.2. Defining Marketing

Kotler et al. postulate that “the goal of marketing is consumption”⁴² and majors try to influence buying behavior of their targeted audience by refining both product and marketing materials based on research, as section 3.4 details.

The marketing definitions in the standard literature historically stem from a perspective of corporations producing quantities of goods or providing services that they want people to be aware of and, ideally, convince as many of them as possible of their offerings so that an exchange of value can take place.⁴³ Since the goal of independents can also be expressed in these economic terms of goods, offerings, value, and market, it proves as a viable foundation. exchange of value

Another workable definition for our scope comes from the comprehensive academic work on marketing from Meffert et al., who describe marketing basically as being concerned “with the efficient and adequate design of exchange processes⁴⁴.” (own translation). These exchange processes take place when they are beneficial for both parties.

Pride and Ferrell (2004) are more specific in defining marketing as “the process of creating, distributing, promoting, and producing goods, services, and ideas to facilitate satisfying exchange relationships with customers in a dynamic environment”,⁴⁵ whereas Lamb et al. provide the verbatim wording of AMA (2013b) by defining marketing as “[t]he activity, set of instructions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large”⁴⁶ also.

Bruhn (2007) emphasizes the strong connection to the market and describes marketing as an “entrepreneurial way of thinking [which] manifests itself in analysis, planning, execution, and control regarding all internal and external corporate activities that are focused on reaching the market

³⁹ The word “institutions” appears as being mistakenly used instead of “instructions”.

⁴⁰ cf. Bruhn 2007: 30 f.

⁴¹ cf. Bruhn 2007: 31.

⁴² “Ziel des Marketings ist Konsum.” (Kotler et al. 2007: 306)

⁴³ cf. Kotler et al. 2007: 30.

⁴⁴ “Im Wesentlichen beschäftigt sich das Marketing mit der effizienten und bedürfnisgerechten Gestaltung von Austauschprozessen.” (Meffert, Burmann, and Kirchgeorg 2012: 3)

⁴⁵ Pride and Ferrell 2004: 4.

⁴⁶ Lamb, Hair, and MacDaniel 2008: 3.

enterprise's sales market goals by orienting the corporate performance consequently on customer benefit"⁴⁷.

Common elements among the provided definitions are

- the necessity of communication ("promoting", "communicating") of
- various kinds of "offerings" to facilitate
- an exchange of value between
- the involved parties ("customers, clients, partners, and society at large").

Schweitzer (1996) identifies two conflicting ideologies, the striving for profit versus creating 'cultural values' for society.⁴⁸ Accordingly, Voigt (2002: 75) adds that creating films for their cultural value alone is such expensive in terms of necessary resources (money, people, materials, etc.) that it hardly makes them inseparable from economically motivated marketplace calculations.⁴⁹ Unless, however, the economic significance of the audience is replaced by subsidies.⁵⁰ The last statement is also applicable to independent films who oftentimes are granted federal subsidies or bear their production costs themselves. While this might exempt these productions from the financial economics of the film market, nevertheless they still are in the highly competitive market of the attention economy.

In essence, Bruhn (2007) notes, the agreed common denominator of marketing is the "reasoning originating from the market"⁵¹ (own translation), "that the needs of demanders are the central point of corporate management"⁵² (own translation) and hence draws from the definitions of Kotler, Nieschlag, Meffert, Blyth and Homburg.

While the first chapter describes the offering party, and section 3.1 discusses the properties of these "offerings", we have to consider the other party in the exchange process, the audience, and their demands on the offered product and how they select it.

3.2.3. The Audience: Why people watch movies

For the plethora of different studies, approaches and explanatory models that have been developed and conducted over decades, it seems fruitless to rehash or compare them against each other in applicability to films. Instead I summarize the findings of the literature at hand that is explicitly concerned with marketing films whose authors already evaluated comprehensive studies for practicality.

⁴⁷ "Marketing ist eine unternehmerische Denkhaltung. Sie konkretisiert sich in der Analyse, Planung, Umsetzung und Kontrolle sämtlicher interner und externer Unternehmensaktivitäten, die durch eine Ausrichtung der Unternehmensleistungen am Kundennutzen im Sinne einer konsequenten Kundenorientierung darauf abzielen, absatzmarktorientierte Unternehmensziele zu erreichen." (Bruhn 2007: 14)

⁴⁸ cf. Schweitzer 1996: 13.

⁴⁹ cf. Voigt 2002: 75.

⁵⁰ cf. Schweitzer 1996: 13.

⁵¹ "[D]as Denken vom Markte her" (Bruhn 2007: 13).

⁵² "[...] die Bedürfnisse der Nachfrager [stehen] im Zentrum der Unternehmensführung" (Bruhn 2007: 13).

Schweitzer (1996), Caves (2000), Voigt (2002) and Kerrigan (2010) all conceded to a certain degree that embracing theoretical models that describe the correlation of motivations and media activities do not exist. The question of determining what needs of consumers a film can and should satisfy is difficult to answer despite the many attempts that have been made, largely studies either based on an economic or psychological analysis of film performance.⁵³

Medienwirkungsforschung, the study of media effects or media reception theories, is concerned with the individual (and collective) reactions of media consumers. Schweitzer (1996: 22 f.) differentiates the process of usage-oriented reactions in consumers in selectivity (what to choose) and constructiveness (the comprehension of its meaning) to understand the economic aspects of film. He arrives at the conclusions that the motivations for consuming media can be a search for experiences in a safe, make-believe environment,⁵⁴ can be escapist or act as a normative guideline, and (depending on the *dispositif*⁵⁵) that media consumption also has strong inter-social motivations. Kerrigan adds by citing Staiger that also a desire to experience emotions plays into film selection as well.⁵⁶

*Medienwirkungs-
forschung*

*experience
escapist
normative guide
emotions*

Caves stresses how much personal taste influences media consumption and that economists have accepted “that it is fruitless to try to explain tastes, to understand why people choose to consume what they do”,⁵⁷ a statement I cannot agree with, as other literature provides the varied and sophisticated efforts in trying to explain consumer behavior for decades. He argues that the more and longer a person takes part in consuming or producing certain kinds of creative goods (e.g. taking piano lessons), their taste in that field evolves and the more likely they are to choose and value those offerings.

taste

Kerrigan explores the findings of various studies and determines that

“[...] film consumption can be seen as informed by the internalized structures which Bourdieu associated with his conceptualization of ‘habitus’. The ‘field of cultural consumption’ within which film consumption takes place can be seen as informed by demographic factors such as age, social class and gender [...]” Kerrigan (2010: 107)

habitus

Also García-Álvarez (2006: 404–405)⁵⁸ et al. found in a 2006 study that film and media fans were in a higher social class. Caves chimes in that “a person’s interest and attendance increase with her income and amount of education”,⁵⁹ whereas Marich contrasts that “[...] mainstream audiences typically find *auteur* films too esoteric”.⁶⁰ The latter statement can be explained by the empirical studies conducted by Tinacci-Manelli, cited in Schweitzer (1996), that show that social groups of lower classes and education are less tolerant of depictions that lie outside their familiar

social class

⁵³ cf. Kerrigan 2010: 103.

⁵⁴ Schweitzer 1996: cf. 53.

⁵⁵ Schweitzer favors Baudry’s transformation of the term *dispositif* into the realm of cinema (cf. Baudry 1986: 693) as being “the structuring of reception situations” (Schweitzer 1996: 28) instead of Foucault’s emphasis on societal power structures. (cf. Foucault 1978: 119 ff.)

⁵⁶ cf. Staiger 2005.

⁵⁷ Caves 2000: 175.

⁵⁸ cited in Kerrigan (2010: 106)

⁵⁹ Caves 2000: 177.

⁶⁰ Marich 2013: l. 4613.

living experiences, than classes with higher education who are much more open to identifying themselves with unfamiliar and more abstract characters and situations.⁶¹

In summary, it can be concluded that there are a number of different angles from which consumer behavior can be considered, yet no unifying theory exists (or ever will exist). When disregarding genre, format and content of a film (i.e. individual taste), consumers enjoy films for experiencing something new and different from their own life, they expect to experience emotions and the social interactions of watching films in a group of friends and/or talking about the shared experience.

3.2.4. Gatekeepers

However, as explored in section 3.1.2 as *infinite variety*, prospective customers themselves are unable to determine how much a film will satisfy their desires prior to consumption, even if they watched a film with similar story, visuals and music before. Caves notes that when consumers are unable to examine a product, they act on solely a hunch they might have about it. Yet “[b]etter than deciding on just her own hunch, the consumer looks to see what everybody else is doing”⁶² which exemplifies herd behavior that “certainly applies to the creative industries”⁶³ Nonetheless, this herd behavior certainly is fallible and can lead to a cascade of regrettable purchases.

To diminish this kind of uncertainty invoked by *infinite variety*, consumers may “rely in varying degrees on critics and certifiers, who hold themselves out as independent and experienced assessors of creative goods”.⁶⁴ These institutions have appeared in different media and also serve as filters for consumers, such as labels, distributors, and publishers. Caves and Kerrigan agree on the strong influence these gatekeepers assert on society by their act of selection. These institutions often are helpful to consumers but because of their own agendas (mostly economic), they impede progress and exercise power over newcomers with creative products.

For example, an independent film producer wants to benefit from a distributor’s access to a large potential audience by distribution and marketing. While the primary goal of the film producer is to have the film’s vision reach many people, the primary goal of the distributor is to make profit (or at least not to lose money). She already is in a superior position than the producer who bore the complete production costs,⁶⁵ while the distributor can assess the finished product without spending money on it herself. If the film’s vision is not deemed marketable enough by the distributor, there are two options: The first is the rejection of distribution of the film for economic reasons. The film could be too ‘artsy’, too ‘niche’, too disturbing, or otherwise ill-suited to convince enough people to pay money to see it; regardless of its societal value. Essentially this means the film will not be seen by many people because the gatekeeper refused to let it pass. The other option is for the producers to modify and change the film in accordance to the

⁶¹ cf. Schweitzer 1996: 46.

⁶² Caves 2000: 178.

⁶³ Caves 2000: 179.

⁶⁴ Caves 2000: 179.

⁶⁵ cf. Caves 2000: 3.

gatekeepers instructions⁶⁶ until it may pass and get distributed. This, however, conflicts with the independent's priority of an authentic and undiluted artistic vision, as described in 2.3.6. Certainly, there can be found a middle ground between marketability and retaining the creative vision, however the gatekeeper always has the advantage⁶⁷.

But also Hollywood films distributed by majors are subject to gatekeepers which they must adhere to, such as the Federal Trade Commission (FTC), various ratings organizations or movie critics. "Consumers value these services for their presumed objectivity, which gives producers an incentive to corrupt the certifier"⁶⁸ and Hollywood majors are especially creative in trying to ensure favorable reviews from critics⁶⁹.

Still, gatekeepers' power is crumbling, they are losing importance and influence thanks to the internet, as will be explored in chapter 4. Reasons might be that the tastes of critics do not align well enough with personal tastes, their independence can be questioned or consumers feel not informed well enough to spend their money on a hunch,⁷⁰ whereas personal recommendations from friends and family are given more weight.

3.2.5. Producer-specific differences in marketing film goods

Bruhn (2007) presents different institutional characteristics in marketing different goods such as consumable goods, industrial goods, services, trade marketing and non-profit marketing. According to this classification, it is possible to view the marketing of independent films by the particularities of non-profit marketing, whereas Hollywood films are marketed more conservatively as consumable or durable goods.

*non-profit vs.
durable goods
marketing*

Consumable goods marketing: Bruhn (2007: 33 f.) describes them to be primarily focused on mass markets; to have a great deal of advertising expenditures; possess relatively short product-life cycles; to display a tendency to escalate in price wars; to show a differentiated use of all marketing tools to reach different customer groups; to be threatened by clones and price-dumping by piracy; to necessitate the assignment of product managers; to be distributed through different channels and, most importantly, to be informed by consumers and trading.

Non-Profit goods marketing, on the other hand, has difficulties placing the product in a relevant market; must consider a number of internal and external stakeholders; struggles to define demand with their consumers and to justify a price; hardly possesses a potential for standardization of processes, and often has to make ends meet on low and constrained budgets.

⁶⁶ Independent film distributors Bob and Harvey Weinstein (who founded and ran Miramax) conducted test-screenings in the 1990s for independent films and re-edited them in accordance to the audience feedback, granting Harvey the nickname 'Harvey Scissorhands' by the offended filmmakers. (cf. Marich 2013: l. 642)

⁶⁷ "[David] Rosen quoted *Variety* that one-third to one-half of completed independent films never succeed in finding a distributor." (Caves 2000: 102)

⁶⁸ Caves 2000: 173.

⁶⁹ For example by exclusive press screenings of upcoming films where the journalists have to agree to withhold an unfavorable review until the film's launch (cf. Marich 2013: l. 4388).

⁷⁰ cf. Caves 2000: 180.

3.2.6. Summary

The definition and focus of marketing underwent changes over the decades and arrived at a point where relationship and societal values are important, so it was valuable to try to understand the motivations of the audience watching films. Common denominators are the desired experiences of emotions and social interaction in a safe environment. The higher the education and movie-going frequency of a person is, the more abstract concepts and depictions she accepts.

But the properties of film goods make it difficult for the individuals to arrive at a purchase decision. A number of institutions acting as societal gatekeepers provide the audience with information and a pre-selection which makes it especially hard for independents to reach their goals.

The next section takes a look at how Hollywood majors marketed and market their films, how they have been tackling the various properties of film goods in marketing of their films and how this can translate to independents.

3.3. Practical Differences in Marketing

The first section provides a brief account of the sheer volume and expense of Hollywood marketing and where the majors' profits mainly originate from, in order to understand their focus on certain methods and practices (such as research) in marketing experience goods. It also sketches the harsh environment self-distributing independents face when they decide to approach the market of the Hollywood majors.

The discussion in the subsequent sections has the consumers' position in concurrence with the properties of experience goods close at heart and contrasts exemplary practices performed by the majors with independent productions. However, because of the multitude of possibilities and strategies present, it claims not to be a comprehensive examination of the status quo of the major's marketing⁷¹.

3.3.1. How Majors Market

Hollywood takes marketing very seriously and ads often are crafted long before the actual production of the film in question is finished, sometimes even before principal photography starts,⁷² with all marketing activities strategically targeted at the film's opening week, because "half of a big major-studio film's gross now [comes] from the opening week, versus just 20 percent in 1990".⁷³ *opening week*

⁷¹ Readers interested in a detailed and extensive description categorized by different marketing strategies will find those in Marich (2013).

⁷² cf. Marich 2013: l. 305.

⁷³ Marich 2013: l. 76.

The window during which a Hollywood movie has to gross enough profits to cover the budget for the film's production, distribution and marketing⁷⁴ is very tight⁷⁵ when compared to other products, even compared to other experience goods such as books or games: Just six to eight weeks after the opening weekend mark a film's financial success or failure⁷⁶ based on the profit made on the opening weekend⁷⁷.

The intention is to open as wide as possible⁷⁸ to at least two big demographic groups in order to cover the costs of the film's production, distribution, and marketing and, ideally, gross profit on top before the audience is influenced by their opinions more strongly than by the marketing materials. "Through the first week of theater release, films are largely defined by their creative message in ads because most moviegoers have not seen the films and can't judge for themselves".⁷⁹

wide release
ad influence vs.
word of mouth

So Hollywood majors open with a costly launch campaign to stand out of the crowd of their peers and try to reach their audience multiple times a day in various places in order to create an impact on them. Because of this sweeping distribution of marketing materials among various media and countless channels, they are under public scrutiny and must adhere to certain institutions and practices, such as acquiring and clearly displaying ratings by the MPAA's advertising administration, the Classification & Rating Administration (CARA), the Children's Advertising Review Unit (CARU) and since 2000, also the FTC, to name but a few, in order to "ensure the suitability of motion picture advertising for its intended audience".⁸⁰

ratings

Further, each marketing material itself must be rated and approved⁸¹, especially daytime TV commercials need to be "family safe", i.e. rated 'Freigegeben für alle Altersstufen' in Austria,⁸² 'G' in the US⁸³ or 'U' in Britain.⁸⁴

Additionally, executives in charge of movie marketing at major studios are in a "constant treadmill of simply soliciting input and approvals,"⁸⁵ not only because of the sheer volume of different marketing materials but also for contractual obligations in attributing artists and their agents' lobbying.

⁷⁴ Usually such an average campaign consumes \$30 to \$50 million in advertising across newspapers, magazines, billboards, television and the web (cf. Marich 2013: l. 152). The total marketing expenditures by the majors amounted in 2010 to roughly \$3.6 billion in the US alone. (Kantar Media in Marich 2013: l. 1022)

⁷⁵ Because of worries about piracy, a film launch happens internationally around the same time.

⁷⁶ cf. Marich 2013: l. 84.

⁷⁷ However, there are a number of films that perform poorly during the opening weekend but can break even at a later point because of combined profits from DVD sales, licensing deals and VOD fees.

⁷⁸ "In theatrical distribution, [a *wide release* means] a film playing at from 600 to 1,999 theaters." (Marich 2013: l. 5038)

⁷⁹ Marich 2013: l. 145.

⁸⁰ MPAA 2013b: 2.

⁸¹ There have occasionally been incidents where a film's advertising was also targeted at a younger audience than the film had been cleared for, as the FTC often reported (cf. Marich 2013: l. 706 ff.). Currently, the film industry is somewhat relieved of FTC scrutiny because these questionable practices have been adopted by the games industry as well.

⁸² cf. Brauner et al. 2012: 4.

⁸³ MPAA 2013b: 20.

⁸⁴ cf. *bbfc, The Guidelines* 2009: 22.

⁸⁵ Marich 2013: l. 265.

3.3.2. Independents on Majors' Territory

Independents traditionally sought to cover the niches in scheduling and genres that were left open by the majors, such as teen and youth films in late summer in the 1950s until well into the '70s. Late summer and fall marked a decline in studio releases but in today's environment the schedules are increasingly packed by studio releases with little room for indies seeking play dates in theaters.⁸⁶ *niches*

Before the advent of consumer video systems such as VHS or DVD, it was possible for independent films to have a run in one city for a few weeks before moving on to the next city, ideally generating slow but steady profits until after about a year when the film had been shown in the whole nation (i.e. the USA).

Indies without a distributor who want to show their film to an audience on a big screen must understand the economic reasoning of the theater owner, because there is a strong discrepancy between independents who want to show their art and the exhibitor who needs to make money. As has been described so far, the majors wield the power of international distribution and often-times win over national film productions in terms of booking and scheduling. So if an exhibitor is presented with a prospective film to show, it must already have a strong following and, ideally, possible local tie-ins⁸⁷ to secure a scheduling place over even the most mundane major release playing at the same time. *theatrical release*

Even if indies just want to release on DVD, BluRay or pay-TV, rights buyers "often specify in contracts that purchased films must have a minimum amount of marketing spending in theatrical release for the purpose of creating marquee values. A bare-bones expenditure is \$1.4 million for prints and advertising (P&A) [...], [f]or a significant national release, the P&A spend needs to be much higher, starting at \$5 million",⁸⁸ completely unfeasible for independents. Even if there is a marketing budget available that the filmmakers want to spend on traditional marketing, then the preferred strategy is to "emphasize frequency over reach",⁸⁹ in selected media channels their core demographic uses. Nonetheless, self-publishing independents are ill advised to invest in expensive TV/radio on-air time (known as media buy) to attempt to reach through to their audience. *media release*

In summary, independent films, might be largely unaffected by some of the major studios' burdens (such as the ratings system) which gives them an advantage in some areas. However, they have no chance when they attempt to compete head-on in the majors territories i.e. commercial theater runs, DVD sales and classic, large scale advertising.

⁸⁶ cf. Marich 2013: l. 4233.

⁸⁷ Marich suggests that especially films with a "regional or local flavor" work out deals with local theaters (cf. Marich 2013: l. 4252), a strategy that can apply well to European films for domestic releases since compared to the US, German states can be seen as a regional market, as can be Switzerland or Austria in their entirety.

⁸⁸ cf. Marich 2013: l. 4241.

⁸⁹ cf. Marich 2013: l. 4272.

3.3.3. On Self Distributing Independent Productions

Marich cautions self-distribution of independents for a number of reasons, although he sees it feasible in theory.⁹⁰ The main drawbacks he identifies are costs of release prints, collection and effort. Before moving on, I want to address these concerns from today's perspective.

Release Prints

Claim: Release prints, the reels of developed positive film copies with sound, are costly to produce (around \$1,000 each) and just as expensive to ship internationally.

Refute: With the trend towards digitalization of cinemas and waning copies of physical films being shipped, DCPs are literally outstripping release prints. By the end of 2012, 85% of US screens and 67% cinema screens in Europe were already projected digitally,⁹¹ and by 2014 it is estimated that 90% of movie theaters worldwide operate digital projectors.⁹²

With little time, an external hard-drive and open-source software such as *OpenDCP*⁹³ it is possible for independents to produce DCPs that are technically equivalent to those of the majors'—at the price of the employed external hard drive.

Collection

Claim: “[E]ven when self-distributors are able to book theaters, they find collecting film-rental money can be difficult.”⁹⁴

Refute: This statement assumes that independents seek and maintain to have their film played in a number of theaters. Certainly, negotiating good rates and collecting the payments appears to be a straining and time consuming activity, as also filmmaker Jay Craven, quoted in Marich, testifies that theatrical release “is the toughest, most costly, and most labor intensive market [in film distribution]”.⁹⁵ However, digital distribution via the internet directly to one's audience via PPV hosts such as *StreamingVideoProvider*⁹⁶ relieves the burden of the act of collection and the independents' profit margin is higher.

Effort

Claim: “Filmmakers who go the self-distribution route usually are forced to quit making new films because distributing is a full-time business”.⁹⁷

⁹⁰ cf. Marich 2013: l. 4394.

⁹¹ Giardina and Pennington 2013.

⁹² Hancock 2013.

⁹³ <http://opendcp.org>

⁹⁴ Marich 2013: l. 4394.

⁹⁵ Marich 2013: l. 4408.

⁹⁶ <http://www.streamingvideoprovider.com>

⁹⁷ Marich 2013: l. 4393.

Refute: While it is agreeable that concurrent marketing and producing of films is tough, it is a matter of planning ahead effort, content and (human) resources needed at different stages in production. This thesis aims for providing a stepping stone in this respect as will be discussed in chapter 5.

3.4. The Importance of Research

To tackle the problems in marketing film goods described in the sections above, Hollywood majors are keen on a large spectrum of research, testings and a variety of other metrics to gauge (and tweak) a film's success in each stage of production. Henry Shapiro, vice president and general manager of the entertainment research company MarketCast noted on research as being "[...] a tool for risk management and resource allocation, and a relatively inexpensive source of insurance that introduces accountability and objectivity into the marketing process. But it's certainly not a replacement for the gut instincts of creative executives".⁹⁸ *tool for risk management*

Marich (2013) identifies eight classes of research common in the movie business, which I will only describe very briefly because the importance of this section lies not so much in the intricacies of the methods employed by the majors, as it wants to illustrate the variety in tackling the properties of film goods:

- *Script assessment*, evaluating a script for playability and marketability in order to being able to draw up a budget based on the expected demand,
- *concept testing*, gathering audience reactions to ideas or casting decisions for proposed films,
- *title testing*, to settle on the most effective name for a film,
- *positioning studies*, where a script is analyzed on what of its elements should be emphasized in marketing,
- *test screenings*, to get audience reactions to a near-finished film and tweak it accordingly (and also gauge a film's playability and marketability),
- *advertising testing*, to find out what are the most and least effective ads with various demographics,
- *tracking surveys*, to track the public's awareness of current movies to forecast opening-weekend box office gross on a weekly basis,
- *exit surveys*, to identify which demographic groups watched a film and the accuracy of the marketing materials that influenced their decision.

⁹⁸ Shapiro in Marich 2013: l. 582.

Additionally to this “service program”,⁹⁹ supplemental studies might be ordered by a studio to measure a specific aspect, such as the “franchise value” of an existing film,¹⁰⁰ or biometric measurements of bodily reactions to watching a film such as skin conductivity (indicating sweating), etc.. The costs of performing this extensive research can surpass \$500,000 per film.¹⁰¹

3.5. Tackling Nobody Knows

3.5.1. Market Research

Background

The purpose of the majors’ research is being able to identify the prime target audiences and the individual market for each of their products and to orchestrate and hone marketing messages to have the most impact on them. *prime target audience*

For example, the market for winter shoes may be relatively simple to delimit and easy to predict considering geography and time of the year, fashion trends, etc., yet a market for a particular action movie needs to be evaluated starting from its inception (script assessment, concept testing) and to be constantly re-assessed for current trends and tastes of the audience (test screenings), as much as the marketing materials themselves are continually tested and re-aligned to work on them (advertising testing).

As outlined in section 2.1.2 (p. 18 ff.), the early majors were led by individuals who acknowledged the importance of being close to one’s customers and going to great lengths to learn about their tastes. Or, in marketing parlance, they assessed the market for customer demand.

Legendary not only for defining the early Hollywood star-system, Irving Thalberg, head of MGM in the 1920s, is also considered the first who introduced “story conferences to shape scripts, empowered producers to drive creative decisions, and conducted test screenings of finished films to gauge audience reaction before general cinema release (and rework films in postproduction to improve their playability)”.¹⁰² Re-shoots were less common than today, but still occurred¹⁰³. *audience reactions*

In the 1960s, TV made it also feasible to measure the reactions of the audience towards certain programs and commercials and cable providers experimented with different in-home devices to gather better and more accurate feedback. By the 1970s, marketing experts with experience in consumable goods industries got hired by the majors who wanted to be as close as possible to their audience. This also marked the transformation of individual films to becoming brands¹⁰⁴ and movie merchandising, a notable case in point being *Star Wars* (1977). *brands*

⁹⁹ cf. Bruhn 2007: 124 ff.

¹⁰⁰ cf. Marich 2013: l. 607.

¹⁰¹ cf. Marich 2013: l. 700.

¹⁰² Marich 2013: l. 4146.

¹⁰³ Today, an estimated 80% of Hollywood’s majors schedule re-shoots of new or different scenes after principal photography based on the data gained through research, “although not all are as drastic as changing endings” (Marich 2013: l. 812). A noteworthy exception to this practice was the *Lord of the Rings* trilogy (2001-2003).

¹⁰⁴ cf. Voigt 2002: 7.

In the eighties there was a tipping point reached: The historical data gathered on past films facilitated workable forecasts of ticket sales and revenues of certain aspects of films. I see this as one important milestone in marketing films because instead of relying on gut-instincts, research and historical data made it possible to map out the market for a particular film and an advanced way in tackling the *paradox of experience goods*. By the end of the 1990s, (film) marketers discovered the possibilities of the fledgling internet to market their films. Yet long into the 2000s, the majors showcased their films on rather static websites that acted much like film posters in the off-line world¹⁰⁵ and offered not much interactivity apart from the order in which one clicked through all the links. data forecasts

Majors

First, a film's uniqueness is assured by assessing scripts for their marketability. Films that are too similar to already existing films (or films launching around the same time) do not play well (i.e. attract a large enough audience), as do films that are too serious, too complicated to follow or are in an 'uninteresting' setting. uniqueness

Early in development, the majors estimate and consider for marketing the popularity of the cast, the originality of the plot, film critics' susceptibility to it, convincing sympathetic character depiction¹⁰⁶, promising subplots, the film's setting as possible escapist "magical place", memorableness of the music, visual signatures and, most importantly, the audience rating.¹⁰⁷ The majority of big-budget films opts to entertaining the masses by glossy visuals: Fantastic worlds as in *Avatar* (2009), large-scale destruction as showcased in *Transformers* (2007) and spectacular fights as with *The Avengers* (2012). Interestingly, the complexity of the plot being kept low—especially when targeting a male demographic.¹⁰⁸

Since each film constitutes a new product launch, it needs individual market research. At each step of testing and assessment, a film and/or its corresponding marketing campaign get modified and refined (if deemed feasible and, in the long run, profitable¹⁰⁹), so there is a constant counter-checking and controlling of the highly dynamic market situation. Thanks to the multitude of entertainment options and alternatives to film today, research has evolved into being more differentiated but also more expensive and more short-lived. While it still is not perfect, the wide enough range of research tools and historical data only the majors have access to, enables usable estimates of the size of the market which in turn governs the budget. It is vital for a film that its market analysis is on the spot within a relatively small margin of error, because of the short product life¹¹⁰ of a film: "As a rule, films don't recover from failed theatrical openings [...]".¹¹¹ new product launch

¹⁰⁵ cf. Voigt 2002: 7.

¹⁰⁶ "Characters are often crafted to be the hero that audiences aspire to be" (cf. Del Vecchio 2012).

¹⁰⁷ cf. Marich 2013: l. 287 ff.

¹⁰⁸ cf. Goetz in Marich 2013: l. 804.

¹⁰⁹ cf. Marich 2013: l. 975.

¹¹⁰ Hollywood films usually run for six weeks in theaters, a couple of weeks later they get distributed as VOD before being released on disc. Collecting money gets faster, "but the risk is that moviegoers will skip cinema release." (Marich 2013: l. 4065)

¹¹¹ Marich 2013: l. 1009.

Nonetheless, enough films fall flat despite the best predictions and marketing controlling efforts, proving this method as not being infallible. Recent box-office bombs include *Mars Needs Moms* (2011), budget \$150M, USA gross \$35.4M; *John Carter* (2012), budget \$250M, USA gross \$73.1M; or *The Lone Ranger* (2013), budget \$215M, USA gross \$89.3M¹¹².

While research is helpful to marketers to assess the market and create a demand, some of the filmmakers (not the distributors) themselves, however, “argue that research pushes films to the safe middle ground and waters down breakthrough movies”.¹¹³

Independents

Traditionally there was little to no market research done by independents themselves as they relied heavily on distributors and other gatekeepers if they wanted their films publicly shown.¹¹⁴

Since the motivation to produce an independent film rarely stems from economic considerations and broad audience appeal is secondary, getting their film discovered and distributed was more or less a game of chance. The best (and often enough only) way to get a film recognized internationally and attention from distributors willing to buy the film’s rights was (and still is) through film festivals.¹¹⁵

With all that said, the possibility of actually striking a distribution deal (even for video) is relatively low and should not be the only factor to submit a film to a festival. Even Sundance grand-jury winners do not apply to a large enough demographics that a wide distribution would be worth the effort financially.¹¹⁶

In terms of market research available to the independents, Marich adds that “[t]he closest thing to test screenings for most independent films is showings at film festivals, at which filmmakers informally witness audience reactions”,¹¹⁷ apart from friends and family the cheapest way to see audience reaction firsthand.

As we will see in the following chapters, thanks to the internet and digital production tools, independents today are much more empowered and self-reliant.

3.5.2. Familiarity

Majors

I want to define *familiarity* in this context more in terms of *brand recognition* which does play in part into *quality*. Yet its importance lies not as much in being an indicator of quality for the

¹¹² An industry rule of thumb in estimating profit or loss is to divide the worldwide box office gross by 2 (the exhibitors’ share depends on the individual contract but generally lies between 50-55%) and subtract the production budget. Note that the costs for P&A are not included in the production budget. (Anders 2011)

¹¹³ Marich 2013: l. 677.

¹¹⁴ cf. Posner 1993.

¹¹⁵ cf. Marich 2013: l. 4314 ff.

¹¹⁶ cf. Marich 2013: l. 4335.

¹¹⁷ Marich 2013: l. 638 & l. 233 ff.

audience, as it serves as an insurance for the producers: Franchises, adaptations and reboots of series are safe bets because they already have a certain fan following or community around them which makes the market easier to survey. Additionally they bear the potential of attracting new audiences from a spill-over of fans. The current trend and success of comic book adaptations such as *The Avengers* (2012), *The Dark Knight* (2008) or *Thor: The Dark World* (2013); sequels like *Shrek 2* (2004), *Pirates of the Caribbean: At World's End* (2007) or *Iron Man Three* (2013), and the sequel in the reboot *Star Trek Into Darkness* (2013), proves them right.

Independents

Independent films that tap into a familiar franchise fall into the category of fan-films set in existing storyworlds¹¹⁸ such as *Star Trek: Intrepid* (2007) in the Star Trek universe, *Born of Hope* (2009) which expands the *Lord of the Rings* Trilogy fantasy lore or *Escape from City-17. Part One* (2009), a sci-fi action short heavily inspired by the game *Half-Life 2* (2004). Like the majors' productions, these fan-films usually raise from within existing communities which can help their initial fund-raising, talent recruiting and later distribution. However, staying within the boundaries of existing franchises can be artistically constraining and, much worse, the product is subject to the original rights holder who can issue a cease and desist order, effectively prohibiting any distribution and public screening, at will.

3.6. Tackling the Paradox of Experience Goods

The audience wants to know as much as possible about experiencing a film before spending money/attention, as much as the producers want to withhold their product prior to purchase. The solution to this is to provide the audience with as much information as possible without having them experience the complete product for free. Accordingly, every marketing material should help in communicating meaningful and significant hints of the experience to expect.

3.6.1. Title and Key-Copy Line

Majors

This begins as early as finding the right title (title assessment). A film's title can "be the most effective single element of creative material in a broad marketing program"¹¹⁹ and is also crafted rather than merely made up on a whim or left to the original screenwriter(s).

For example, if there are films *Movie A* and *Movie B* without supplementary information, consumers are unable to infer which movie (if any) would match their tastes. If *Movie A* and *Movie B* were instead titled *Battle at Gradius 7* and *Mrs. Johnson's Walk in the Park*¹²⁰, this would provide

¹¹⁸ About the term *storyworld* cf. Ryan 2013: 88 ff.

¹¹⁹ Marich 2013: I. 483.

¹²⁰ These titles are conceived by the author and any resemblance to actual film titles is purely coincidental.

already enough clues for the audience about genre. *Battle at Gradius 7* hints at being a war film or science fiction movie whereas the simple title *Mrs. Johnson's Walk in the Park* could indicate either a low-key drama, romance or light comedy in a familiar setting but never an action filled visual effects opera. Certainly, the titles could mislead and *Battle at Gradius 7* could be a light-hearted comedy about a person who is obsessed with a board-game of the same name. However, Hollywood majors rarely risk confusing audiences with a misleading title.

Also great care is taken in finding the right tagline, also known as *key-copy line*: “The overall thrust of the ad should incorporate the message of the key-copy line to reinforce the marketing message in the minds of moviegoers”.¹²¹ For example, the line “In space, nobody can hear you scream” on the poster to *Alien* (1979) positioned the film clearly as sci-fi horror.

Independents

Especially independent films are more prone to confusing potential audiences by long-winded titles that do not communicate genre well enough, as does *Back to the Roots* (2015)¹²². The reason for this may be rooted in the orientation towards a different goal: Majors want to make it as easy as possible for their audience to assess their product by providing as many hints as possible, whereas to independents the title is an inextricable part of the overall message and creative vision of the film.

It has to be added that this ability to infer solely from a certain title (and tagline) a specific genre appears to me as highly affected by our culture and past experiences. As much as *cliché* helps to quickly communicate a concept in movie titles, tag-lines and key visuals, it also reinforces these structures in our culture and impedes in the long run the acceptance of more abstract titles whose connection to the actual content of a film becomes only clear after watching it. Examples are *Eternal Sunshine of the Spotless Mind* (2004), *I've Heard the Mermaids Singing* (1987) or *And Now for Something Completely Different* (1971); this might being a contributing factor to the notion of independent films being difficult to approach.¹²³

3.6.2. Genre

As discussed in 3.2.3, the audience bases their film selection not only on tastes but also on the emotions it wants to experience in a safe environment, hence the foundation of every major's marketing campaign is not only to identify a film's prime demographic audience, but also to “hit [its] emotional chord” with even the earliest advertising material.¹²⁴ emotions

This is the point where genre classification comes into play, as it communicates concisely the emotions an audience is promised to experience. Some find a worthwhile movie experience

¹²¹ Marich 2013: 125.

¹²² A counter-example being *Alpenzombies, der Heimat-Splatter* (2013) (“Alpine-Zombies, the regional splatter”, own translation) where alone from the title a potential audience can deduce rather accurately what experience to expect.

¹²³ cf. Marich 2013: l. 4613.

¹²⁴ cf. Marich 2013: l. 272 ff.

in an adrenaline rush or fear (horror, action, thrillers), to others it is witnessing the intricacies of relationships and sharing pain and joy (drama, romance), others want to experience the excitement of exploring fantastic, engrossing worlds (sci-fi, fantasy) while others like to laugh (comedies).

Therefore a genre classification can be seen as promise of a certain experience. Thus, it is crucial to communicate a film's genre as early and as clearly as possible across all marketing activities. If a film's genre gets communicated wrongly (either intentional or by mistake), it will hurt its reputation because it contradicts an audience's expectations, no matter what the quality the film otherwise possesses. Even if a film presents itself as 'trashy', 'unwatchable' or 'overly artsy', it still will attract the audience seeking exactly that kind of entertainment because they still know what they are in for. If, however, a political war film is marketed as an action movie or star-centric thriller (as both was the case with Paul Greengrass' *Green Zone*¹²⁵), the audience attracted to it (by the information based on the marketing activities) will be different from the audience needed for a positive word-of-mouth for the film. experience promise

Majors

Majors almost always combine these 'standard' genres to reach a bigger slice of the audience. Hollywood research executive Paul Lenburg clarifies that "[e]ach target [...] must be reachable, sustainable, substantial, and measurable [...]. If you don't have all four, it's not viable. Successful movies attract two or more target groups with tailored advertising and media campaigns that complement and supplement one another without creating confusion".¹²⁶

Popular genre combinations are for example romantic comedies such as *America's Sweethearts* (2001), sci-fi action films like *Independence Day* (1996) or fantasy dramas, e.g. *The Hunger Games* (2012). Occasionally, there are cross-overs between seemingly unrelated genres such as horror-comedies like *Scary Movie* (2000) or sci-fi dramas like *Gravity* (2013). So genre can be hinted at by the title and more closely communicated and defined by the key visuals on posters and other advertising.

Historically, film posters have a long tradition and painted art posters were core advertising material until the 1960s¹²⁷. But as independent distributors discovered TV as advertising platform for their films, the majors were put under pressure because they had relied solely on broad print advertising. The need for diverse marketing materials increased to such an extent, that outside agencies handled the major's campaigns and produced their marketing materials. These outside agencies, native to the advertising business, displayed a higher proficiency at communicating via advertisements than the majors ever could. After all, they were in the movie business and did not handle advertising as well as these specialized facilities. advertising

¹²⁵ *Green Zone* grossed internationally \$97,724,475 with an estimated production/marketing budget of \$100,000,000 (cf. *IMDb Pro: Green Zone: Box Office*) marking it a failure.

¹²⁶ Lenburg in Marich 2013: l. 655.

¹²⁷ In the first half of the 20th century the movie theaters themselves advertised for the movies they played, placed ads in newspapers and supplemented the art-posters they got from the distributors with their individual playing times, (also cf. Marich 2013: l. 540 ff.).

Independents

Independent films largely can be attributed to a certain genre (or genre mix), yet occasionally films are produced that are hard to categorize by the established classifications. Even for an inclined audience this uncertainty of anticipated experience can be somewhat deterring and they might choose to spend their time and attention on more predictable media offerings instead.

3.6.3. Quality

Once the audience (hopefully) has learned enough about the overall experience to expect from a film, they still need to be convinced of the film's quality. Whereas title, key-copy line and key visuals speak to the audience on an emotional level, as "this is a taste of the emotions you can expect from experiencing the film", the mention of star-talent, reviews and awards speaks to their reasoning by assuring that "those people/institutions you know vouch with their name for its quality."

Majors

This is the point where the majors can leverage the contracted star talent only they can afford.¹²⁸ A certain actress or actor represents a certain level of production quality and genre, as the audience had learned by experiencing past films: "A few filmmakers have a somewhat branded image because of consistency in their films".¹²⁹

For example, director Michael Bay represents large-scale explosions and over-the-top visuals, composer Hans Zimmer usually delivers equally big and emotional music, cinematographer Darius Khondji assures well composed dark images or screenwriter/director Quentin Tarantino promises well defined characters, great dialogues and gore. Because the broad audience is only familiar with the names of the biggest film stars, advertising often refers to well received past films instead of the talents' names¹³⁰. Further, snippets from favorable reviews from (well known) critics (i.e. gatekeepers) and awards are also communicated through marketing and advertising, depending on the target audience.

Independents

Independent producers seldom are able to feature a certain brand recognition even within the field of die-hard film fanatics and their production value rarely can compete with the polished images and sounds a major production provides. Even B-list actors or other semi-popular talent is expensive and almost never an option to independents, although Gaspard (2006: 231) notes that

¹²⁸ cf. Kerrigan 2010: 109.

¹²⁹ Marich 2013: 122.

¹³⁰ Examples of this practice are seen in motion picture trailers such as for *Godzilla* that is "From the creators of *Independence Day*" (*Godzilla Trailer* 1998: min 1:17), or *Elysium* that is being advertised as being "From the director of *District 9*" (*Elysium Trailer #2* 2013: min 1:18).

sometimes cameo appearances of known actors are possible. Outside the Hollywood system it is feasible, however, that popular domestic actors star in supporting roles for free, if the producers are lucky and/or play their cards right.

Awards from festivals and especially critics are more important to independents as to majors, as Beuscart and Mellet conclude: “Critics only impacts the success of small-budget movies; the extent of the critical coverage, rather than its positive or negative assessment of the film, is what matters,”¹³¹ and also Marich chimes in that “[t]he art-film audience is driven by reviews, while the youth audience is not.”¹³²

3.6.4. Free Samples

The most convincing arguments for enticing consumers into paying for a movie ticket and/or directing their attention towards an independent film is a free sample. In the film business this is demonstrated by the importance of teasers and trailers.

trailers

The advantage is that these samples are in the same medial form, and if watched in a movie theater, also in the same reception disposition¹³³ as the final product. They also translate well to TV and online video ads and thus display an advantage over other products or services.

For example, when watching a commercial that is showcasing the power of a certain brand of vacuum cleaner or the benefits of a certain life insurance plan, the consumer does not experience the advertised product herself, she only *watches* someone else experiencing it, someone she has no social connection with. Film trailers, on the other hand, let her experience a taste of the actual product *herself*. This is more direct than taking some stranger’s word for it.

Majors

“Hands down, the best marketing-campaign building blocks are pieces of the film, which marketers have mined for ages,”¹³⁴ hence the expensive creation¹³⁵ of trailers is the highest priority to the majors who hire a few outside agencies to develop trailers for the same movie in competition with each other.¹³⁶ Because of their importance in marketing, trailers are extensively tested and tuned by the majors to resonate with a certain demographic and certain elements of the film are either emphasized or marginalized in marketing (due to the findings of positioning studies and advertising testing). Creating and adapting their trailers to each marketing channel is costly and complex, but tolerated in order to reach more people than otherwise.

¹³¹ Beuscart and Mellet 2012: 4.

¹³² Marich 2013: l. 289.

¹³³ cf. Baudry 1986: 693.

¹³⁴ Marich 2013: l. 113.

¹³⁵ A film’s trailer campaign can cost majors up to \$250,000 (cf. Marich 2013: l. 180).

¹³⁶ cf. Marich 2013: l. 180.

The trailers themselves are comparable to key visuals and the key-copy line by being thick on cliché and rehashing the style and flow of past movie trailers situated in the same genre to evoke memories of hit films from the past.¹³⁷

Already one half of the majors' productions shoot footage during principal photography solely for use in trailers, and subsequently for other marketing materials which often end up as special features on the DVD.¹³⁸ Also, there is a tendency for majors to issue tell-all trailers which in fact tell most of the story, because they are the best hope "for hard-to-sell films that struggle in consumer-research evaluations",¹³⁹ however especially online they are on the decline because users explicitly searching or selecting a trailer already show enough interest in a film and do not need to be persuaded as much.

Independents

In this respect, independents and majors are *on par* because with trailers a sample of the actual product speaks to the consumer and can catch a person's interest—even without having seen the film's poster or knowing its title. Because of the lack of brand recognition the independents face, a trailer is their only and most effective way to communicate the quality of their film.

Marketing of independents by independent distributors is generally also done by hiring an outside agency that creates trailers and key visuals for print ads, but even the low-end prices start at \$25,000.¹⁴⁰ Accordingly, Marich warns independents to try to save money when commissioning an outside contractor to create their trailer.¹⁴¹

This proves to be a moot point, in my opinion, because firstly independents are better advised to spend their money on the production, and secondly the proficiency to edit a trailer should lie within the production team in the first place. Michael Barker, co-president of Sony Pictures Classics on the importance of trailers states that "[w]hat's important is that the trailer maker understands and loves the film".¹⁴²

Yet independents are threatened to falling prey to their vanity by editing their trailer in an *art for art's sake* fashion. The purpose of a trailer is primarily to inform a potential audience of the quality and the experience of the complete product, yet if it falls short in that respect and instead follows a creative vision of its own (e.g. by withholding too much), it must be considered a short film, not a trailer.

¹³⁷ cf. Marich 2013: l. 401.

¹³⁸ cf. Marich 2013: l. 390.

¹³⁹ cf. Marich 2013: l. 419.

¹⁴⁰ cf. Marich 2013: l. 4340.

¹⁴¹ cf. Marich 2013: l. 188.

¹⁴² Baker, cited in Marich 2013: l. 4348.

3.7. Conclusion

Marketing and especially advertising boils down to the simple fact that it is crucial to communicate the goods as clearly and as quickly as possible, so consumers know what to expect from it in advance and can gauge for themselves whether they are interested in them or not.

Everything an audience knows about a film before its launch is shaped by advertising and not by experiencing the actual film. I proclaim that the higher the discrepancy between the advertised and the actual experience is, the worse the reputation of a film becomes, independent from its actual quality. As already mentioned, after the first week of playing in cinemas, the messages from marketing become increasingly ineffective over the word of mouth.¹⁴³ reputation

Film marketing essentially means to supply the consumers with enough hooks that they are able to infer a film's experience and quality while withholding enough of the product to justify the price (financially or attention-wise) to experience it. This communication is performed by every aspect of a film and its marketing campaign and should provide enough information for each individual to make an informed decision.

The worst practices that need to be avoided are 1) not to communicate at all¹⁴⁴ or 2) to communicate the wrong message. In my opinion, messages in advertising should explicitly avoid by all means to deceive audiences to see a film that they wouldn't like to see otherwise, either by carelessness or intention. If the moral implications of this statement do not sufficiently convince, there also is a financial factor involved (at least for Hollywood major productions).

An example would be to heavily advertise a film's strong character driven scene and hence to market it as a drama in order to appeal to a drama inclined audience segment. If, however, it turns out that there was only this one drama-esque instance in an otherwise completely action oriented feature, the drama audience would feel (legitimately) deceived and badmouth the film subsequently. It has been sufficiently mentioned that "[b]ad word-of-mouth buzz among consumers trumps all else"¹⁴⁵ and cannot be "corrected" by advertising after a film's release.

This conclusion does not conflict with the non-economic goals of independent productions because the examination has its focus on marketing and advertising, not on the actual content of the product. The difference here lies in how the product itself is treated: Whereas the majors craft, tailor and adapt both their product and marketing material for shaping it in accordance to their consumers' wants, the independents' product remains uncompromised¹⁴⁶ yet the marketing of this product should be focused on communicating the experience of consuming it as close and authentic as possible. Treating the product

¹⁴³ cf. Marich 2013: l. 148.

¹⁴⁴ cf. "Silence is fatal." Searls and Weinberger 2001: 159.

¹⁴⁵ Marich 2013: l. 148.

¹⁴⁶ "Da der Kunst jedoch ohnehin eine gewisse Zweckfreiheit zu eigen ist, trachtet sie nicht nach der Befriedigung von Rezipientenbedürfnissen." (Schweitzer 1996: 48); "Since a certain purposeless is inherent to art, it does not aspire to fulfil any recipient's needs." (own translation)

3.7.1. Crises and Competitors

Marich mentions current crises for the majors in practicing research, notably direct results by the propagation of the internet and particularly of the Web 2.0, which will be examined in the following section more closely.

One problem is recruiting a representative slice of the moviegoing population for screenings, not only because of the internet but also thanks to the wide use of cell phones over landlines which makes it difficult if not impossible to question a representative sample of a certain neighborhood in targeted tracking surveys. Further, marketers used to recruit people in shopping malls because there they found a diverse spectrum of consumers whereas today shopping malls' outlets are less varied, shoppers prefer specialized flagship-stores (diminishing diversity among the shoppers) or shop and order over the internet altogether. Moreover, there is the problem of leaked research: Facebook, blogging services and Twitter enable audience members of a test screening to easily and quickly spread the word over an unfinished version of an upcoming film. Even if they had to sign a restrictive non-disclosure agreement (NDA) prohibiting such behavior, a quick post gone viral can damage the reputation of a film early.

Lastly, because of the multitude of entertainment options available to the individual today, their consumer behavior is more fickle and therefore difficult to predict. Again, the proliferation of internet services is easy to blame: YouTube, Vimeo and other video channels provide an enormous selection of entertainment basically for free¹⁴⁷. Whereas in the 1950s, TV became a considerable competitor for the movie industry for some time, today high quality TV shows produced by financially well-heeled cable providers such as AMC, Fox and HBO and VOD suppliers Netflix¹⁴⁸ and Amazon¹⁴⁹ glue potential moviegoers to the screen at home instead.

Other competitors for consumer spending and attention can be found in the gaming industry¹⁵⁰ where AAA releases get similarly big and targeted releases as films. Outliers already surpass the movie industry's earnings on openings. For example, three days after the international launch of *Grand Theft Auto V*, Take-Two Interactive, the parent company of developer Rockstar North, reported over a billion dollars grossed, "in other words, *Grand Theft Auto V* not only hit \$1 billion in sales faster than the fastest-grossing video game, it beat the three biggest film launches of all time by 16 days".¹⁵¹

So the internet was not merely another marketing channel which could be treated like any other channel before. As the next chapter will discuss, it also meant a different way in marketing communications and how people could be reached.

¹⁴⁷ Vimeo launched a supplementary PPV VOD service in spring of 2013 (cf. Whitman 2013).

¹⁴⁸ O'Connell 2012: cf.

¹⁴⁹ Paskin 2013: cf.

¹⁵⁰ cf. Marich 2013: l. 2459.

¹⁵¹ Kain 2013.

4. Online

4.1. The Web

The further examination is intended to provide readers with a historical outline of the developments which, again, has independent productions compared to the majors and the benefit for the users, the audience, at its core. Readers interested in the intricacies of the methods and philosophies around Web 1.0 corporate websites will find a discussion in “Unternehmenspräsentation im Internet: Konkurrenz zur klassischen Werbung?” (Tanos 2001) and in “Spielfilmmarketing im Internet” (Voigt 2002) a status quo examination of film websites in the early 2000s.

The internet’s opportunities of democratizing communication can be seen as facilitating the fulfilment of Bertold Brecht’s radio theories from the 1930s in which he urges that “radio needs to be changed from an apparatus of distribution over to an apparatus of communication¹” (own translation). Because of the internet as medium, the mode of communication has shifted since “[c]omputer mediated communication allows for more flexibility in access levels as well as audience size”.² However, this shift towards the participatory web we witness today occurred gradually and especially in its early days, content creation was overly technical and required at least fundamental programming and networking expertise also by its users. mode of communication

4.1.1. Web 1.0

Cormode and Krishnamurthy describe the essential differences between Web 2.0 and Web 1.0 that “content creators were few in Web 1.0 with the vast majority of users simply acting as consumers of content”,³ which is also reflected technologically by a strict hierarchical design and general lack of noteworthy participatory opportunities. The possibility of the internet’s modes of communication as being one-to-one, one-to-many, and many-to-many had been identified early and are employed concurrently today,⁴ marketers then were used to the old one-to-many paradigms that had gotten translated to the web, as can be understood in Voigt (2002: 66). Also Tanos considers in her 2001 thesis corporate websites mainly as places where users could learn about an organization and their products,⁵ direct communication between users/customers and corporation happened solely over email. Websites for films were designed similarly.

¹ “Der Rundfunk ist aus einem Distributionsapparat in einen Kommunikationsapparat zu verwandeln.” (Brecht 1967: 127)

² Karahalios 2000.

³ Cormode and Krishnamurthy 2008.

⁴ cf. Barak 2012.

⁵ cf. Tanos 2001: 44.

In 2002, only Hollywood films with budgets exceeding \$5 million put up web sites accompanying their film launches.⁶ The the internet had not been adopted to today's extent⁷, was mainly used at home and constrained by comparatively slow connections, still it was the centerpiece of the early online campaigns, success was measured mainly by website traffic.⁸ Accordingly, the content of Web 1.0 film websites consisted mainly of showcasing the film in pictures supplemented by a synopsis and downloads of screensavers and/or desktop wallpapers.

Traditionally the communication in marketing by the majors has been one-to-many without the intention of receiving feedback, as Luhmann also noted in his definition of mass media,⁹ and film websites were treated much like print advertising where user participation and user interaction with the marketing material was of no concern. While users could sign up for e-mail newsletters, take part in competitions or send e-cards to their friends,¹⁰ the majors' value was not the interaction as much as the user's email addresses collected who could be spammed with e-mail blasts.¹¹

The online exchange of information among the audience took place mainly in forums or newsgroups by users largely in the demographic of educated users far above the poverty line.¹² Voigt (2002: 83) adds that these discussions could be influenced by marketers posing as consumers thanks to the "anonymity of the internet".¹³

The Blair Witch Project

In this environment occurred the first feature film marketing campaign that treated the internet as something more than mere digital billboard: *The Blair Witch Project* (1999), an independent film with a production budget of \$35,000.¹⁴ While the film was still in production, the filmmakers put up a website which did not simply describe the film but instead presented the mythology the film was allegedly based on.¹⁵

The Blair Witch Project was completed and screened in January 1999 at the Sundance Film Festival where it attracted the independent distributor Artisan Entertainment who acquired the rights for a reported \$1 million.¹⁶ Together with the filmmakers they devised a publicity campaign that was budgeted at another \$1 million and ran for six months before the film's release in July of the same year.

⁶ cf. Voigt 2002: 112.

⁷ As of June 1995, only 14% of American adults used the internet, in August 2000 the percentage had risen to 50%, in August 2006 to 70% (Pew Internet & American Life Project 2013). As of June 30, 2013) 78.1% of the US population use the internet, a total 66% have an account on Facebook. (Miniwatts Marketing Group 2013)

⁸ cf. Marich 2013: l. 1687 f.

⁹ cf. Luhmann 1996: 6.

¹⁰ cf. Voigt 2002: 139 f.

¹¹ cf. Marich 2013: l. 1757 f.

¹² cf. Zickuhr and Smith 2013: 5.

¹³ Voigt 2002: 83.

¹⁴ \$49,133 inflation adjusted, also cf. table 3 in appendix, p. 102.

¹⁵ A snapshot of the website from May 1999 can be accessed via <http://web.archive.org/web/20131512424400/http://www.blairwitch.com/mythology.html>

¹⁶ Davidson 2013.

It was the first successful attempt at employing what would become known as an alternate reality game (ARG) for film marketing and its viral marketing campaign still is considered as “the best-ever social media campaign and one of the first viral marketing efforts”.¹⁷

“The crossmedial marketing strategy on the internet and the claim of a depiction of real events, aimed for an irritation in the [viewers’] reception of reality and for a viral distribution; comparable to an ARG.”¹⁸ (own translation)

What contrasted the *Blair Witch Project* website from other movie websites was its content and its transmedial dispersion¹⁹, which supplemented, expanded and reinforced the fabricated story about three missing documentary filmmakers. The website was regularly updated with new material ‘found’ in the case and was complemented by a number of other online and offline activities towards the release date. All the guessing among the audience until the film’s release whether the events were real or what might have happened to the missing persons, made *The Blair Witch Project* “the product of a particular time when the internet was just big enough to spread rumors, but not quite big enough to dispel them”.²⁰ In other words, the audience’s reactions to the marketing material had been taken into account, albeit not its contribution.²¹

Because of the originality and impact of the marketing campaign²², countless attempts have been made at recreating its success, yet many have failed,²³ even if the project had been conceptualized as being transmedial in the first place, as exemplified by *The Matrix Reloaded/The Matrix Revolutions* (2003).²⁴ In that respect Davidson (2013) urges at being original, again, something only independents can spearhead because of their financial low risk compared to the majors: They have not much to lose but everything to gain.

4.1.2. Web 2.0

The term *Web 2.0* had been popularized by Tim O’Reilly as technology and philosophy that encourages participation and communication among the users. Further, the participation is not just seen as a nice-to-have feature, instead “[o]ne of the key lessons of the Web 2.0 era is this: *Users add value*”.²⁵ Today there are several different concepts that are designated *Web 2.0* and originate from different standpoints²⁶, such as from a technological perspective, feature-centric view (e.g. “web platforms offering user profile pages are Web 2.0”), or considering the degree

¹⁷ Taylor 2010.

¹⁸ “Ähnlich wie beim ARG zielte die crossmediale Vermarktungsstrategie im Internet und die Behauptung, es handle sich um reale Ereignisse, auf die Irritation der Realitätswahrnehmung und eine virale Verbreitung ab.” (Labitzke 2013: 198)

¹⁹ Concerning transmedial storytelling cf. Labitzke (2013) and Ryan (2013)

²⁰ RealClear 2013.

²¹ The trailblazer for involving and incorporating an online community was *The X-Files* (1993-2002) which had an active usenet community (alt.tv.x-files) whose members avidly discussed the show and some also created content based on the series themselves. The series’ writers in turn often acknowledged the community (e.g. by planting Easter eggs) which “became a model for subsequent series looking to connect with their online fanbase.” (Marshall 2013)

²² *The Blair Witch Project* grossed internationally \$240,500,000 (cf. *IMDb Pro: The Blair Witch Project: Box Office*)

²³ cf. Davidson 2013.

²⁴ cf. Ryan 2013: 89 ff.

²⁵ O’Reilly 2005: 3.

²⁶ Grabs and Bannour even dispute that there ever was a Web 1.0 (cf. Grabs and Bannour 2013: 25).

of options for users to contribute and participate.²⁷ This thesis strongly favors the latter which also provides the groundwork for examining social media.

4.2. Social Media

In topical literature social media is rather woolly defined as “[...] the media we use to be social,”²⁸ and as “around as long as we have been social and have used media”,²⁹ both are unusable for further discussion and hence I discard them for in context.

Instead the approach by Grabs and Bannour (2013) is the most applicable for this thesis’ intentions, as they see social media being the subsequent step up from the Web 2.0, where not only the users’ participation is key, but also their social connections and relationships among each other,³⁰ which Safko (2010) calls a “Social Network” and defines in a rather long-winded fashion:

“A social network, trusted network, virtual community, e-community, or online community is a group of people who interact through newsletters, blogs, comments, telephone, e-mail, and instant messages, and who use text, audio, photographs, and video for social, professional, and educational purposes. The social network’s goal is to build trust in a given community.” (Safko 2010: 24)

As of 2014, currently the most important social network is Facebook.

4.2.1. The Importance of Facebook

According to the 2013 Social Media Census by *Business Insider*³¹ (cf. figure 1), Facebook ranks as solid first among other social networks with 1,155 million monthly active users (MAUs), closely followed by YouTube with one billion MAUs, also noteworthy is the relatively low ranking of Twitter with 240 MAUs³².

The strength of Facebook not only lies in its numbers but also in its architecture, a prime example of *Web 2.0* in accordance to Cormode and Krishnamurthy (2008) and O’Reilly (2005). It not only encourages users to share, upload and post content and to connect with each other, it also does so in an extremely user friendly fashion. This lowered the barriers to demographic groups beyond digital natives and web enthusiasts. For example, from 2008 onwards the largest growing group were users age 65 and older,³³ and by February 2012, 34% of adult internet users 65+ were using social networks, and half of the 50–64 demographic.³⁴

²⁷ cf. Cormode and Krishnamurthy 2008.

²⁸ Safko 2010: 3.

²⁹ Fox 2010: 185.

³⁰ cf. Grabs and Bannour 2013: 25 f.

³¹ cf. Smith 2013.

³² Interestingly, the messaging service WhatsApp ranks fifth behind the also Chinese Sina Weiboo and before Google+ ranking 6th with 327 MAUs.

³³ cf. Madden 2010: 3.

³⁴ cf. Zickuhr and Madden 2012: 11.

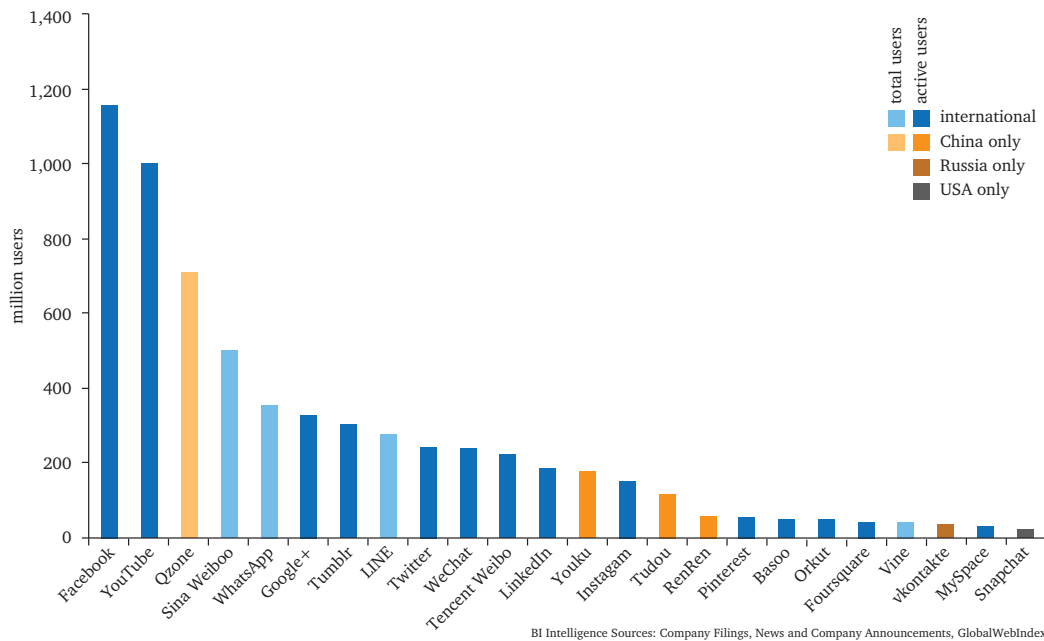


Figure 1.: **Smith 2013.** Social Media Census 2013. Unless otherwise indicated, *Active users* refers to MAUs.

The engagement rate is high, an average Facebook user has 130 friends, is connected to 80 groups, events or pages and spends 20 minutes per each visit.³⁵ So Facebook is considered to be a good place to find and “pick-up” one’s audience via branding and direct them towards further content where subsequent goals can be reached,³⁶ if necessary.

4.2.2. Social Marketing

What is important for marketing is that each activity and each interaction on social networks sports a social element, an invitation to comment and to partake in a conversation. Especially Facebook is keen on communicating each user’s activity to her or his ‘friends’ by a realtime social news feed.³⁷ social element

For example, if user X likes a funny picture on a blog that is offering her a Facebook ‘Like’ button integration, this activity gets instantly communicated to X’s friends by appearing in their personal news feed on Facebook. Some might be curious and view the picture themselves and react to X’s activity, either by ‘liking’ it as well and/or commenting on it, thus engaging in a conversation with X.

From a social networking user perspective, the messages by corporations and majors who try to market their products in a one-to-many fashion, lack this social element because it is largely

³⁵ Facebook Statistics 2013: cf.

³⁶ Firsching 2013.

³⁷ This also means that among social groups a potential herd behaviour can take place much faster, cf. section 3.2.4 and Caves (2000: 178 f.)

unfeasible for them to fully engage in conversations, either by choice or by organizational constraints: An external agency handling a major's social media activity rarely can provide timely and insightful feedback to users interested in specifics of a certain film. So the social media marketing often becomes a barrage of press releases instead.³⁸ To the users seeking social interactions this is unwanted, obtrusive and untrustworthy. Grabs and Bannour likened this to a squaller at a party nobody invited,³⁹ Searls and Weinberger take it one step further in deeming this kind of corporate messaging

“[...] pathetic. It's not funny. It's not interesting. It doesn't know who we are, or care. It only wants us to buy. If we wanted more of that, we'd turn on the tube. But we don't and we won't. We're too busy. We're too wrapped up in some fascinating conversation.” (Searls and Weinberger 2001: 159)

Majors' Online Marketing

Marich notes on the most important characteristic of today's internet usage to the majors is the “ability for movie marketers to establish a direct connection to moviegoers”⁴⁰ and, also very valuable to them, the amount of consumer behavior data that can easily be collected and tabulated. Still, online marketing to the majors means to a large extent digital media buy and only gradually they are warming up to social media and content marketing. While new media is an important part of every movie marketing campaign today (and employed more or less skillfully), it still cannot solely ensure a film's success (at least in theatrical release), it can only be one ingredient in the majors' marketing mix and must complement the other advertising material—and vice versa.

In practice, today's majors begin the process of creating and marketing their films by staking out what groups they want to target that show a certain *affinity* towards “one or more elements in a movie, such as fans of a star actor or of a genre like graphic horror”.⁴¹ A major's marketing plan is staggered in stages that are timed to create the utmost buzz for the premiere of a film and creating/fabricating online buzz has become increasingly important.⁴² It also is noteworthy that majors do not shy away from bluntly buying Facebook 'Likes' for a perceived increased buzz on their film's Facebook pages.⁴³ Marich describes three types of online buzz which exemplifies the major's strong ties to traditional marketing paradigms.

“(1) promoted, paid-for messages that should be identified as sponsored but sometimes aren't; (2) organic buzz, spontaneous and not paid for, which is welcome but unpredictable; and (3) owned buzz or earned media, which emanates from platforms that a distributor or its marketing agents controls, such as e-mail lists.” (Marich 2013: 1531 ff.)

³⁸ Also cf. table 2.

³⁹ cf. Grabs and Bannour 2013: 65 f.

⁴⁰ cf. Marich 2013: 1438.

⁴¹ cf. Marich 2013: 1488 f.

⁴² Marich 2013: 1531 ff.

⁴³ cf. Frankel 2012.

A quick evaluation of the Facebook pages of the six majors and Lionsgate reveals relatively similar content strategies among all of them with various degrees and frequency of call to action (CTA) as seen in table 2 (p. 66). When taking the individual products out of consideration there is little to no other content besides these kind of press release postings for their visitors. Minor exemptions are Universal Studios, Paramount Pictures and Warner Bros. who populated their Facebook timeline with illustrated milestones in their studio's history. Paramount additionally posts occasional Instagram photos of their lot.

The way social media is handled by the majors basically evolves around creating dedicated websites and product pages on Facebook for which digital assets are created with moderate spending and are distributed in order to activate the core group of fans sharing them. Instead of spending the money and effort on the actual content, close to the release of a film, "studios will pay the big social platforms – for Facebook, for example, they'll often give up more than a dollar [*sic*] per 'like,' creating an illusion of social media buzz",⁴⁴ which helps their features rank high on trending topics and create additional online impressions on other users also which amounts to minor spill-over effects.

What they lack, however, is appearing as approachable and up for conversation with their audience, among other factors, because external agencies are handling a film's marketing and are not as much in direct contact with the actual makers of the film.

4.2.3. Independents on Social Media

In comparison to the majors, the circumstances for independents are to their advantage.

As had been laid out earlier, audiences like to exchange their media consumption experiences with their peers and oftentimes media consumption happens out of social interactions.⁴⁵ Social media allows film makers now to be close to their audience, much closer than the major's filmmakers who are obfuscated by layers of (push-)marketing, studio management and are additionally oftentimes bound by restrictive non-disclosure agreements (NDAs). The *motely crew* of independents, on the other hand, can act as trustworthy authentic individuals who are approachable for dialog and interaction. Lastly, neither setting up a Facebook page nor interacting will ever cost any money because the large and diverse user base is Facebook's capital.

However, the problem both majors and indies face on the web and in social media is the sheer volume of theatrical and nontheatrical films in various stages all shouting for attention⁴⁶ on Facebook, Twitter and various crowdfunding sites. On an upside, this democratization of content distribution lessened the power of the prevalent cultural gatekeepers by the possibility to circumvent them by directly publishing on the web, where in principle anybody can put any content online without technical knowledge.

⁴⁴ Frankel 2012.

⁴⁵ Caves 2000: 179.

⁴⁶ cf. Marich 2013: 1557.


| | Walt Disney Studios | Universal Studios | Paramount Pictures | 20 th Century Fox | Sony Pictures | Lionsgate | Warner Bros. |
|---|---------------------|-------------------|--------------------|------------------------------|---------------|-----------|--------------|
|  (in millions) | 9.6 | 1.9 | 1.8 | .55 | .42 | .36 | .32 |
| Promotional Posters | ● | ● | ● | ● | ● | ● | ● |
| Trailers (embedded) | ● | | ● | ● | ● | ● | ● |
| Trailers (linked) | ● | ● | ● | ● | ● | ● | ● |
| Red Carpet Photos | ● | ● | | ● | | | |
| Film Stills / Clips | ● | | ● | ● | ● | | ● |
| Behind the Scenes Content | ● | | ● | ● | | | |
| Movie Opening Dates | ● | ● | ● | ● | ● | ● | ● |
| Home Video Release Dates | | ● | | ● | ● | ● | |
| Ticket Sales & Promotions | ● | ● | ● | ● | ● | ● | ● |
| Studio History Milestones | | ● | ● | | | | ● |
| Calls to Action (CTA) | | | | | | | |
| “Visit/follow film page” | ● | ● | ● | ● | ● | ● | ● |
| “Like us/this post” | | | | ● | | | |
| “Comment” | | ● | ● | ● | ● | ● | |
| “Share this post” | | ● | ● | ● | | | |
| “Follow us/film on twitter” | | ● | | ● | ● | ● | |

Table 2.: **Strahl 2013**. The variety of content posted on the majors’ (and Lionsgate) Facebook pages (compiled 2013-11-21). Lighter bullets indicate a lower number of posts as compared to the rest.

Yet this makes it increasingly difficult to stand out of the crowd and new gatekeepers have emerged to pre-select and filter content for users who neither have the time nor the intention to wade through offerings of low quality to find the needle in the hay by themselves. Instead of actual human beings or institutions acting as gatekeepers, increasingly algorithms are created to deliver personalized results recommendations, employed by corporations such Google, Amazon, Netflix, and Spotify to name but a few⁴⁷.

For independents who do not want their film to get lost among all the noise, they need to stand out of the crowd by providing something of value, something more than simple calls for attention. Grabs and Bannour stress the importance of considering the benefit for the users and what their individual gain could be from following a certain site or user. In practice this means to employ content marketing as discussed in the following section.

4.2.4. Summary

With the propagation of these social networks, most notably Facebook, a much bigger group of people can be reached over the internet more easily than ever before, a group much more diverse than the users frequenting the bulletin boards, newsgroups and forums of the 1990s⁴⁸. The technology behind Web 2.0 sites made interaction and contribution much easier and user friendly while the amount of personal data collected makes it much more interesting for marketers for being able to target user groups based on specific personal tastes or income.

The features of such networks are well suited especially for independents because their flat hierarchies and social interactions are reflected by the node-based technology and one-to-one participatory culture on social networks which corporations struggle with because of their size and rather rigid organizational structures targeted at yielding profit, not at relationships.

4.3. Content Marketing

As discussed in the previous chapter, today societal and relationship marketing became prevalent. Instead of persuading consumers to buy a product, a healthy relationship is prioritized from which ideally subsequent purchases may result. This section briefly examines elements of content marketing useful to independent productions in the context of social media.

4.3.1. Definition

Skyword, a content marketing supplier founded in 2010, defines content marketing as “the art and science of creating web content that informs, entertains, and converts to reach and engage

⁴⁷ cf. Google (2009), Amazon (*About Recommendations*), Garandoni (2013) and Bernhardson (2013).

⁴⁸ cf. Zickuhr and Smith 2013 and Miniwatts Marketing Group 2013.

your audiences”.⁴⁹ This appears to be too nebulous for the purposes of this thesis. Yet the term “audiences” is preferable over the often-adopted term “users” or “customers” of other definitions.

The most practical definition of content marketing is stated by Pulizzi and Rose, although it can not be entirely applied for this thesis as is:

“Content marketing is the practice of creating relevant and compelling content in a consistent fashion to a targeted buyer, focusing on all stages of the buying process, from brand awareness through to brand evangelism.” (Pulizzi and Rose 2011)

This definition’s origin in corporate background and its strong roots in the economic field are obvious for the stated involvement of a “potential buyer” and the “buying process”. For independents, this definition needs to be rephrased in order to become applicable to artistic products such as films. Instead of targeting a potential buyer (in B2B situations this would mean the distributor of a film, not the audience as ‘end users’), the filmmakers want to target their potential audience directly to provide them with a value or benefit. Further, the description of the stages (“from brand awareness through to brand evangelism”) does not add additional meaning to statements. Hence building upon the definition by Pulizzi and Rose, for independents in the context of this thesis, content marketing could be defined as follows (changes are italicized):

Content marketing is the practice of creating relevant and compelling content in a consistent fashion to a targeted *audience*, focusing on all stages of reception.

Futurebiz further comments on the aspirations of content marketing as to reach the goals of marketing without appearing as a marketing activity⁵⁰. As has been established, simply putting one’s press releases on Facebook is not content marketing, this kind of old-fashion push marketing methods is by now considered outdated and punished by low reception.

Grabs and Bannour (2013: 33) quote Searls and Weinberger (2001) that “markets are conversations” between human beings and between a brand and its consumers. The larger a corporation is and the longer it has been known for marketing their products by a one-to-many mode, the less they appear human or approachable and their communication is perceived as less trustworthy.

4.3.2. Trust

The gatekeepers on social networks are not as much algorithms but are recommendations from trustworthy sources. Independent productions have an advantage over big corporations and also over “faceless” Hollywood productions because customers seldom trust what corporations say about themselves.⁵¹

⁴⁹ Skyword 2013.

⁵⁰ “Content Marketing hat das Ziel Marketingziele zu erfüllen, ohne dabei wie eine Marketingaktivität zu wirken. Die definierten Ziele unterscheiden sich kaum, [sic] zu den definierten Erwartungen von Social Media Aktivitäten.” (Firsching 2013)

⁵¹ cf. Eck 2013.

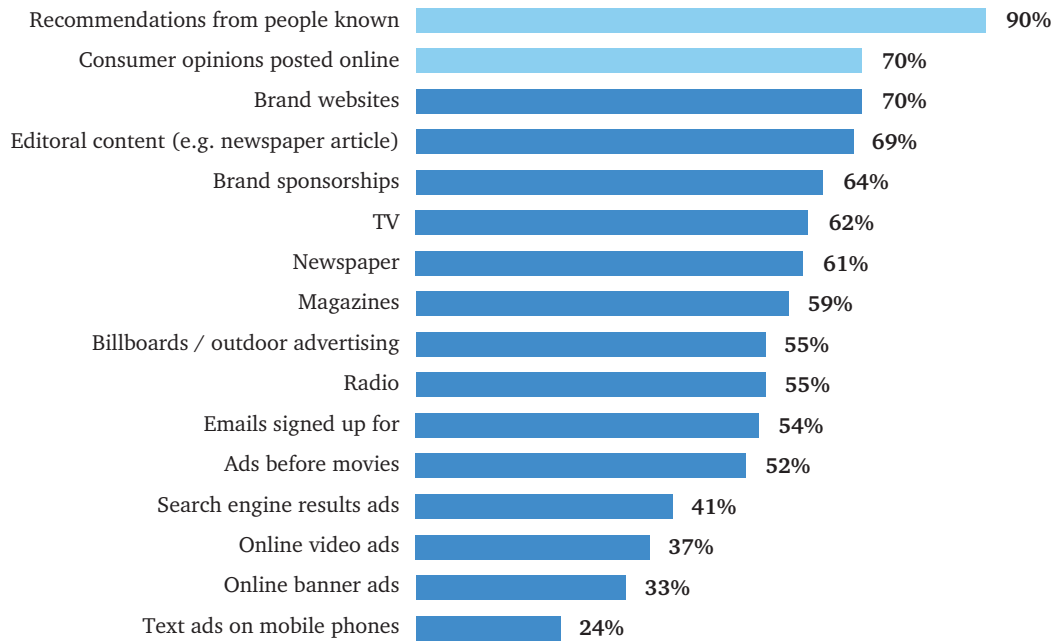


Figure 2.: **Nielsen 2009**. Consumer trust in different forms of advertising. Darker color indicates paid advertising generally employed by the majors, after Marich (2013).

According to a 2009 survey conducted by Nielsen (cf. figure 2), 90% of people trust “completely” or “somewhat” the recommendations from other people they know⁵², followed by 70% of online consumer opinions and brand websites; in comparison online banner advertising ranks at 33%.⁵³

This is of value for independent productions because personal recommendations are free—if people are excited about something which opens the gates for the possibility of content going viral and reaching a high amount of people. Identifying opinion-leaders and engaging in a dialog with them and providing them with significant content⁵⁴ is also only feasible for independent productions whose social media manager (SMM) is directly involved in the production and part of the filmmakers.

In contrast the marketing of the majors, as outlined in section 3.3.1, is broader, but expensive and the channels are considered as not as trustworthy by the consumers. This is one of the reasons, why the majors also discovered that a social media appearance has superseded the importance of a dedicated film website as centerpieces of their campaigns,⁵⁵ but their inherent features of corporate structure and profit oriented motivation are impossible to shake off.

⁵² An increase of 12% percent since Nielsen’s 2007 study. (cf. Nielsen 2009: 5)

⁵³ cf. Nielsen 2009: 5.

⁵⁴ Grabs and Bannour 2013: 54 f.

⁵⁵ cf. Marich 2013: l. 1687.

4.3.3. Customer Benefit

In essence, the key to successful content marketing is being relevant to one's audience by providing them with a benefit of some kind. Not (just) one's product should benefit them in end, the whole communication and relationship should be beneficial. What this benefit for the audience is, depends to a great extent on the audience targeted, but especially film audiences are very receptive to narratives⁵⁶ and enjoy conversations in general.⁵⁷

Yet providing content of value that is "relevant and compelling", i.e. *significant*, for one's audience must be complemented by making it possible for them to share it as easily and unrestrictedly as possible. In 2010 this has already been formulated as a new connotation to the prevalent KISS principle.

"The popular concept of KISS, which once stood for Keep it Simple, Stupid, can be shifted here to *Keep it Significant and Shareable*. Social objects rich with recognition and reward resonate with individuals and encourage sharing from person to person. Each exchange increases the lifespan and reach of an object." (Solis 2010) (own emphasis)

A positive example of providing value can be found in the marketing for *The Hunger Games* (2012) by the 'mini-major' publisher Lionsgate. Their marketing budget of an estimated \$4 million did not allow for expensive media buy and hence they opted for a content marketing strategy. Since the popular novel series by author Suzanne Collins already had a strong following, they "activated the core fan base from day one"⁵⁸ via providing content relevant to them:

"The key: instead of paying for likes, the studio put its resources into creating rich-media elements that far outstrip the ambition of simple games and other movie collateral, such as an interactive tour of the source novel's 'Capital,' which was accessible through Facebook, Twitter and YouTube [...]. The tour wasn't a movie ad – it was an interactive experience rendered from the book with painstaking detail." (Frankel 2012)

This exemplifies also how a transmedial approach is increasingly gaining traction of effectively creating storyworlds⁵⁹ whose different aspects are explored by different media accompanying a film, such as (mobile) games, fake websites (e.g. a character's blog), spinoffs, graphic novels, etc., however, the short life-cycle of the average film often does not justify the expenses for creating experiences for different media beyond the film itself and only makes sense if the movie is conceived as being a part of a franchise and/or featuring an (existing) bigger story universe, such as is the case with *Star Wars* (1977)⁶⁰, *Lord of the Rings* (2001), *The Dark Knight* (2008) or *The Hunger Games* (2012).

⁵⁶ cf. Marich 2013: l. 90, 304.

⁵⁷ cf. Grabs and Bannour 2013: 67 f.

⁵⁸ Frankel 2012.

⁵⁹ Concerning transmedial storytelling and storyworlds cf. Rauscher 2013: 69 ff.

⁶⁰ *Star Wars* is the only film in this listing who spawned a story universe instead of emerging from one.

The stories majors cannot tell well, however, are their own because they lost their ‘underdog’ and indie appeal almost a hundred years ago and today are perceived as corporations and their communication will never seem as trustworthy and authentic as the true independents’.

4.3.4. Summary

The advantages of being present and active in social networks and social media for independents lies in their small size and approachability to be open for dialog and inclusion. Instead of Hollywood majors or other corporations, the filmmakers of independent productions appear as authentic individuals and already have an advantage over them. In order to reach and appeal to one’s audience, the marketing for the product should offer value to its consumers by offering content that is useful to them.

“Content marketing is more than Facebook, although Facebook is an important success factor” (own translation)⁶¹, especially for independents who are likely to find their audience among the varied demographics and high number of active users who spend a large amount of time with interacting with each other. Each social activity gets syndicated to a user’s ‘friends’ and hence offers the possibility to quickly reach a high number of people much more likely to (inter)act than via traditional advertising.

⁶¹ “Content Marketing ist mehr als Facebook, dennoch ist Facebook ein wichtiger Faktor für den Erfolg” Firsching (2013)

5. Means and Methods

As the previous chapters outlined, the cheapest way to reach the biggest group of people online is social media, most notably the social networking service Facebook for its high number of worldwide active monthly users. While it is possible to ‘promote’ a post to a clearly defined demographic, this possibility has been neglected because it involves paying a fee to Facebook.

This section combines now the results from the foregoing sections with a practical guideline for independent productions seeking to market their film most effectively in social media without a dedicated marketing budget—thus answering the posed research question:

With what means and methods are marketing managers of self-distributing independent film productions able to effectively advertise and market their product primarily in/via social media without a dedicated marketing budget?

The outlined course of action hence is theoretically founded on the discussions in the previous chapters and on the practical advice offered, among others, in Bacon (2012), Grabs and Bannour (2013), Gaspard (2006), and Posner (1993) and additionally supplemented by my personal countless lessons and experiences as producer and social media manager of *Back to the Roots* (2015) which were instrumental in the creation of this thesis.

Again it must be emphasized that from a marketing perspective, the independent film itself is treated as sacrosanct artistic creation and should never be altered for the sole benefit of marketing which would betray the creative vision and spoil the notion of the filmmakers as artists. Instead of working *on* the characteristics and traits of the film, its marketing should work *with* them.

The following sections are grouped by the phases of film production because each phase differs from the others by content available in respect to marketing. In outlining the means and methods, three philosophies stand out which will be subsequently summarized and described.

5.1. Preproduction

5.1.1. Team

The recruitment process for an independent film is different from a studio major because instead of being assigned a script to shoot, the team members of an indie form around somebody’s initial

idea for a story and refine it together into a script which they produce and distribute themselves. In this formative process also the individual roles and responsibilities get assessed and allocated and open spots covered by recruitment and/or team members carrying out multiple roles.

While it is self-evident that team members with skills and expertise in film are favored, it is crucial for indies seeking to get their film known to also have one core team member primarily concerned with marketing and public relations who acts as the project's social media manager (SMM). Also expertise in communications design should be present within the team, such as web programmers, graphic designers or photographers, if possible. This way, the creative vision for the film is shared from the beginning throughout the team members and a loss of communication is avoided when, say, the film's website is handed over to a designer who needs to be briefed what the project is about. Further, the more people work and refine on aspects of the film, the better for the product.

Back to the Roots had the opportunity to emerge from an environment on the FH Salzburg where artists with diverse skills got interested early in the project. From the start we had graphic designers and a web programmer on the team. A downside that became apparent much later was that the author of this thesis not only acted as the film's producer in cooperation with Elisabeth Johansson, further I also adopted the role of the film's SMM, special-effects make-up artist together with Cornelia Bader, still photographer, making-of cameraman and others. This overload made it later necessary to prioritize tasks which resulted in lack of on-set photo coverage, which in turn lead to an inconsistent social media communication and missed opportunities down the line. The lesson learned is that a production's SMM needs to be well integrated in the team but not overburdened by seemingly 'more important' tasks at hand.

5.1.2. Identifying the Team's Goals

At this early stage in team development where a team culture takes shape, the SMM functions more as spectator and observes in what direction the project and the team are headed and to what kind of people this might be of interest.

The necessity and importance of marketing should ideally get addressed early and discussed openly by an *inclusion* of all team members and an interim road map and strategy should be laid out together. Without generating profit as an independent production's topmost priority, the next step for the SMM and producer(s) should be to learn about the individual motivations and goals of the team members, to *respect* those, and help reach these goals via marketing, instead of trying to market the film 'against the grain' of a team's culture and philosophy.

Among the first meetings to discuss ideas and individual motivations¹ for participation, *Back to the Roots* was soon identified as festival film that we wanted later to provide for a small fee on a PPV basis, until making the film available for free on a dedicated website in the last stage.

¹ Concerning motivation of knowledgeworkers cf. Güntner (2013).

5.1.3. Identifying the Audience

The more a project's vision and message assume shape, the clearer also its philosophy becomes which can be a hook for finding the right audience. *Back to the Roots* was from the earliest stages a criticism on the exploitation of natural resources on one hand, and commenting on social exclusion of certain groups among society and individual courage on the other.

When the philosophy and topics of the film are clear enough, the SMM can begin researching the possible audience(s) for it by browsing topical blogs and forums, Facebook groups and events to develop an understanding of what is important to them² and where these groups meet to socialize. S/he should refrain from untimely active engagement in these communities (thus showing *respect*) and identify opinion-leading entities.³ Trying to identify what the audience engages with offline might also prove helpful later, but online activities are preferred because they do not cost money and will be the prime channel of communication.

With *Back to the Roots* we made the mistake of neglecting audience research largely and considered the film initially to be rather as 'a film by filmmakers for filmmakers'. Hence our target audience were independent filmmakers themselves who ideally are identified as *conversationalists* and *creators* according to the Social Technographics Profile (STP).⁴

5.1.4. Identifying Value for the Audience

As stressed in the previous chapter, marketing in social media is based on conversations and providing content that is useful to the audience. The audience research should have shed some light onto what kind of content or information they value. The next step should be to identify the elements in the film production that might offer this kind of value.

Even if a film does not display a certain characteristic (which hardly is the case), telling the story of making the film itself can be of high value to many people. This means not to focus as much on the content of the film but rather on the meta-narrative of the passionate team of independent filmmakers creating the film. This plays well into the *authenticity* philosophy and is something the majors only gradually learn to accept.

Thanks to almost a century of the media's depiction of Hollywood and filmmaking as exciting and glamorous, people who are not familiar with the actual mundane and laborious on-set experience, oftentimes are enchanted or intrigued by taking part in a film production, even if this merely means to be reading regular posts about it and viewing pictures.

So independents, much like major productions, estimate their "prime demographic audience"⁵ which allows them to narrow down what kind of marketing in what channels makes sense to the production and to their audience. This narrowing-down approach in marketing is necessary for indies and majors alike, because "making advertising overly broad can result in no audience

² cf. Grabs and Bannour 2013: 67 f.

³ cf. Marich 2013: 1537.

⁴ cf. Bernoff and Anderson 2010: 3.

⁵ Marich 2013: l. 274.

segment being influenced”.⁶ To majors this means not enough ticket sales, to independents that their messages dissolve in the daily noise of advertisements and spam because of not being relevant to a certain group.

Our value strategy with *Back to the Roots* might have been too broad as well, as we wanted to provide (fledgling) filmmakers with in-depth tutorials, coverage and technical articles of the intricacies of shooting, and do-it-yourself walk-throughs for our visual effects, while at the same time being accessible to people not familiar at all with the daily business of film production and more interested in the story.

5.1.5. Identifying Channels

When the audience and what is valuable to them is sufficiently identified, only then it is possible to weigh the advantages and drawbacks of different online-channels against each other to foster a conversation by reaching one’s audience with what is of interest or of value to them. Facebook might not even be an important factor, but it can be assumed that it usually is.

Back to the Roots: Luckily, the whole team was very early very happy with our witty working title and just one day after the project was greenlighted for production by the FH Salzburg, we registered a domain name (<http://the-roots.at>) and begun setting up an interim website.

Yet we did not stop there and for concerns of missing our target audience, *Back to the Roots* ended up with a production blog, an official website and was (and still is) also present Facebook, Twitter, YouTube, Vimeo, Google+, Startnext, Flickr, Formspring, Flattr, Gravatar, and others. This fragmentation led to either double-posting or, soon after, neglecting all but the most important outlets (Facebook and our blog, mostly). To new audiences who might have found out about the film on one of the neglected channels, such as Google+, it appeared like an abandoned project, despite heavy cross-linking, especially to Facebook and our blog. The lesson learned was that only our website, blog, Facebook page and YouTube channel get a notable number of daily visits. The time spent in registration, set-up and tailored content creation for the other platforms was essentially wasted.

5.1.6. Early Communication

Once the film’s script is taking shape and the overall mood and perhaps even genre can be deduced, it makes sense contemplating on how and where to communicate it to whom.

We are the story

In practice this means to revisit and refine the social media marketing strategy with the whole team again and discuss what aspects of the film and its making should be primarily being communicated. Again, *inclusion* among the team is key, because of the *motely crew* property (cf. 3.1.3)

⁶ Marich 2013: l. 278.

the whole team is part of the story of ‘we are making a movie’ and will be featured in a certain way in marketing. As a matter of *respect* this also poses questions of privacy and right to their own image which need to be addressed and a code of conduct elaborated, such as who can post what on which channel(s), who answers to feedback online, how to deal with counterproductive replies, etc..

For *Back to the Roots* it meant that we agreed on the SMM being solely responsible for orchestrating and posting new content, yet in constant consultation with the rest of the team. Usually strategic social media meetings were held weekly to discuss what content to communicate, what directions to favor and who could be reached for quick decisions.

Title and Tagline

This might be also a suitable point in production to brainstorm and ideally decide on the film’s title—if the filmmakers are willing and capable to. As has been discussed in section 3.6.1, a film’s title helps the audience to deduce its genre and to assess the quality and mood of the product-to-be. However, ‘carving in stone’ the title such early in production might be risky because the film’s content still is subject to changes and could depart drastically in a different direction. While a branded title fosters and promotes ‘brand recognition’ among the audience, a late change then could also be confusing, while keeping the unfitting title may be misleading. In that situation I propose the adoption of an accentuated generic working title without branding, such as “Our Sci-Fi Fantasy Film (Working Title)” to emphasize the fugacity of the title while still providing anchors to genre.

The use of a key-copy line can help to communicate films with a working title but also could be perceived either as the film ‘trying too hard’ by adopting the Hollywood custom of sappy taglines or as being an outright satire of them.

In any case, *respect* towards the audience should be demonstrated in marketing by helping them reach their own opinion instead of tricking them into something they would not like otherwise.

Back to the Roots was lucky to feature a title right from the beginning that did not change over the course of the whole project, while at the same time the title did not provide any pointers to genre or content. Further we never opted for a key-copy line. Both made it necessary to provide additional information, such as explicitly naming genre each time we introduced the film to others.

Key-Visuals

Another important aspect is to conceive key visuals that act in the same way a title does, yet on a stronger emotional level⁷, its purpose also is to communicate the film’s genre and mood. In this early stage of production it can be a stock photograph or digital artwork depicting what to

⁷ On the emotional and communicative impact of color cf. Bader (2011).



Figure 3.: **Roots Productions 2012.** The key visual of *Back to the Roots* including the logo, emphasizing the key elements of the film: Foreboding sky, a look beneath the surface, dilapidated shelter, a dead tree and a strange hunched figure with a cane striking roots.

expect, which can also help the team members themselves to retain their vision. This artwork can (and should) change to better reflect the film later in production.

In terms of communicating the film via marketing, especially creative director, production designer and cinematographer can add valuable input. Also independent films can help their audience in communicating genre by other ways, not necessarily by settling on relying on the ‘classic’ film poster, by referencing other mutual experiences of their targeted audience.

Back to the Roots:

Even from the early script stages it was clear that our film would be a serious drama, set in a dystopian future and evolve around the trope of people turning into trees.

In early 2012 we had many and long meetings to develop our logo and initial style guide to adhere to in all our promotional material. In one of those meetings the key-visual was sketched to embody the most important elements of the plot (figure 3) and was created by Cornelia for use across all our marketing.

Creative director Cornelia Bader, director Markus Auzinger, producer Elisabeth Johansson and myself took a lot of time and care in cooperation with our designers Andrea Zehetner and Julia Fischer to develop a consistent and appropriate corporate identity for our film, starting with our first and most important asset, the production blog.

In our devotion to delivering a high quality public impression, the core team did not want a blog with a default template appearance and weeks were spent to create and code the blog without giving much thought to its content at first, which strained the patience of everybody involved. Eventually we settled on a temporary design deemed ‘good enough for now’ and revisited it a couple of months later. Also, a number of meetings was held to develop a design on an email newsletter which never came to fruition. Instead of working so much on the presentation, our time would have been better spent on worrying about our content.

Joining the Conversation

As mentioned at the outset, in a film's stages of production⁸, each one provides a different volume of content available for marketing. Especially in the development phase a SMM is faced with little to show. Yet, the various channels ask for regular content updates signalling progress. So in order to 'go public' and join the conversation with the film's audience, there should be some bare-bones content ready to already provide basic information to the first curious users trying to find out more. For that purpose a Facebook page might not be sufficient enough, albeit very easy and fast to set up.

Back to the Roots: In the first marketing meetings and after a little research we decided on the strategy for our primary channels and online visibility: A traditional film website would act as our 'homebase' where interested users would find what is commonly found on such sites such as trailer, background information and pictures. While this was more than six months prior the first day of principal photography, we would not be able to provide enough content to fill it even barely. In the end we set up a browser redirection to the production blog that we populated with a few posts and sufficient background information about our storyworld. Because of a test shoot on location in March 2012, we already had some photos depicting the team on set and in action.

On April 25th 2012 we launched our Facebook page, and on May 1st our blog went live. In order to reach a bigger audience, we opted for a complete bilingual experience of our Facebook page, blog and website by translating every content from German to English and subtitling videos.

5.1.7. Communication and Attention

As stressed in the previous chapter, each posting should provide a value to the target group, even if it is 'just' for their entertainment, such as a little anecdote from pre-production. While this can be seen as one-to-many communication, it can always shift to one-to-one if somebody asks a question or comments otherwise. This conversation should be encouraged (*inclusion*) and treated as being face-to-face conversations and displaying one's individual character (*authenticity*) while showing *respect* in the interaction.

Don't be Outrageous

While it may be tempting to provoke attention by 'outrageous' marketing, such as emphasizing the graphic depiction of violence, sex, crimes, etc. in the upcoming film, in the best case this serves as a mere flash in the pan, creating short lived attention, that does not necessarily attract more people to the film.⁹ The attention is not directed at the content being advertised (the film) but instead at the advertisement itself. In a not so good case this sensational advertising strategy can backfire and lead to prospective audience shunning the movie for its lewd communicated message.

⁸ Iljine and Keil differentiate between *development of content*, *strategic process*, *operative production* and *distribution* (cf. Iljine and Keil 2000: 185 ff.).

⁹ cf. Marich 2013: l. 302.

Encourage Participation

The audience can also be activated for mutual value by asking for advice concerning certain details in the screenplay or, as it was the case with *Back to the Roots*, to kindly share a call for actors and extras. What should be avoided are constant and blatant CsTA such as “Like our Page!” or “Share this!”, because even if a user likes a post or considers it worthy to share, she or he will be much more likely to do so than without a direct incitement. The best way to convince users to interact is by providing relevant content they would *want* to share.

Providing significant content is one side of the coin, the other is to make it easy for one’s audience to share, especially if the content is not posted on a social network and resides on the production’s blog instead.

Even if there are not many or no interactions at all, one should not be dissuaded, because according to Nielsen (2006) the percentage of heavy contributors is merely 1%, 9% contribute only occasionally, whereas the remaining 90% are just following a public conversation silently without taking active part in it.

5.2. Production

The actual production and principal photography flips over the SMM’s ratio of content available and time to process and post it. Content-wise it is the most abundant phase in film production and should be considered accordingly in the marketing strategy. Especially in this phase it is crucial to have enough people on set with the resources to document the act of shooting the film, ideally in both still photographs and video. This method can be adopted completely from the majors because in the post-production phase the stream of new film content is reduced to a trickle and in order to consistently post new and interesting content until the film’s release (or beyond) the SMM can only draw from the material produced on set.

5.2.1. Stockpiling Content

Marich advises to shoot lots of photos and behind-the-scenes videos to be used later in marketing: “Marketing executives advise filmmakers to shoot scripted promotional vignettes for use on Internet sites when a film is in principal photography, because actors are assembled in costume and at movie backdrops”.¹⁰

On one hand, cell phone photos by the SMM may be viewed as more *authentic* as glossy and well composed still photographs, the latter still are needed for subsequent classical marketing materials showcasing the film’s quality. Thus, it is advisable to have a skilled still photographer on set shooting promotional pictures while the SMM produces more ‘authentic’, real-time photos of a lesser quality.

¹⁰ Marich 2013: l. 4313.

5.2.2. On-Set Inclusion

Depending on the degree of involvement of the audience up to that point, it can also be an option to live-tweet interesting developments to avid followers or stage a live video Hangout with cast and/or crew if the production schedule permits (because usually it does not if this has not been planned for in advance).

The importance lies here again on *authenticity*, *inclusion* and *respect*. It is authentic to post about minor mishaps, successes or breathtaking set designs, but if the audience cannot opt out, they might feel spammed by the sudden volume of content in their Facebook newsfeed. To counter this, the SMM could set up a Tumblr (or comparable service) to which all the brand new and unfiltered on-set content gets posted to and invite audiences interested in the full coverage feed to follow this channel instead while keeping the others unmolested.

Inclusion also is a part of behind-the-scenes coverage as it shows an interested audience the tricks of the trade, how some stunning visuals were created or a candid look at actresses and actors during rehearsal.

However, the buzz among one's audience created by the stream of (hopefully) interesting and relevant content is a double-edged sword: While it brings a lot of attention to the film production, an audience unfamiliar with film production may be already looking forward to seeing the final product, which is, depending on the post-production necessary, many months away. Maintaining the buzz such long is difficult, if not impossible for independents. In any case it is advisable to truthfully estimate and communicate the release date (or changes thereof), instead of stringing the audience along for months by insincere "just one more week!" postings.

For *Back to the Roots* I completely underestimated the amount of work ahead of me as acting as producer, SMM, make-up artist, VFX assistant, still photographer and making-of cameraman at the same time. Fortunately I was supported by another photographer on two occasions but since producing and make-up were of immediate importance to the picture, taking enough still photographs of each scene or interviewing actors and cast became secondary, occasionally tertiary. While the amount of photographs still seems staggering (in total there are around 8,500 photos), some scenes or aspects had not been covered at all, most regrettably high quality promotional photos of our cast in costume.

Selection and processing of the photos happened on set so that after wrapping up for the day, the best snapshots could be posted on Facebook. While photos were generally well received and sported a high reach¹¹, they lacked to create a sense of *inclusion* because outsiders not as involved in the story as us had no idea what was going on, the photos did neither relay the story of our film nor a clear story of us making the film. This could have been easily avoided by meaningful descriptions and not as many pictures posted or individual features of different team members' tasks on set (e.g. "A day in the life of Felix, our cinematographer"). The contributing factor to the high reach was the rigorous tagging of depicted team members and cast which propagated through their friends' newsfeeds on Facebook.

¹¹ According to Facebook insights, the daily album reached up to 5,000 users organically.

This practice of publishing photos and tagging was subject to *respect*: Only those people who had no objections had been tagged. When a picture was not representing a person favorably, it did not make the cut into the daily album as a precaution.

The temporary high reach of the photos unfortunately went to waste, and was a missed opportunity for *inclusion* as I realized later: One day we suffered data loss and it seemed that half a day's footage had been lost, a troublesome fact I instantly posted on Facebook. The post prompted engagement of concerned followers and a handful of 'Like's on our subsequent update, that data restoration went well and that only a single shot was lost. However, I did not pursue this level of inclusion—mostly because of being overworked and seemingly more pressing issues on the set requiring immediate action.

5.3. Post-Production and Distribution

After principal photography, the team will be exhausted and also the SMM might need a break. While a benevolent audience accepts this hiatus in content, it should not last too long. During the period between principal photography and post-production, the whole team should come together and update the marketing map again with what course to take depending on the intended distribution. Most film festivals, for example, only accept films that have not been screened publicly before¹² and hence the film might not require a certain buzz within the community until after the hold-off period.

5.3.1. The Long Home Straight

Depending on the amount of VFX there still is a long stretch ahead without significant new content in the post-production phase. Ideally enough supplementary material has been produced during the shoot to bridge this time, such as video featurettes of set and stages, entertaining interviews with cast and crew or other content communicating the experience to expect with value to the audience.

This also is a busy phase for the graphic designers as websites, social media appearance and the key visuals should be updated to reflect the film more closely and, again, help the audience decide. The amount of content is not as important as a constant and reliable stream of updates indicating progress being made on the movie. Because the post-production exhibits generally a strong tendency for delays, content buffers should be planned and filled accordingly in advance.

¹² Distribution over the internet counts as “screened publicly”, cf. *Sundance Film Festival. Rules & Regulations for Submission* (2013: 3).

5.3.2. Free Samples

As Marich repeatedly stated, sequences from the actual film are the best way to give the audience an impression of the final film¹³ and in addition to the first rough cuts, teasers and trailer should also be in development, ideally with one or two completed VFX shots to also showcase the film's quality. Announcing a date for the film's trailer in advance gives the audience a date to look forward to eagerly, while it serves as a hardly negotiable milestone for the team in finishing the film.

Until then, *inclusion* can take place in providing the audience with before/after comparisons, inviting them to pre-screenings or simply answering questions and conversing about the film. Once again, *authenticity* and *respect* should be dominating these one-to-one conversations.

Further, if the production budget is running dry and expenses such as festival submissions etc. loom, the online audience following can be asked to chip in or, if it is large enough, a crowdfunding campaign can be more useful than in pre-production¹⁴ where a film's following is smaller and potential backers can only base their contribution on the team presenting itself, not on any tangible content they produced.

5.3.3. Gratitude

The closer the film is to completion, the more buzz and interest can be generated if a digital release on its dedicated website is intended, for example by contacting the creators and opinion-leaders in the audience and asking them nicely for reviewing the film, eventually even exclusively, which can turn out beneficial to both parties. In any case the community that accompanied the film and/or supported it along the way, should be treated with *respect* and *gratitude* e.g. by providing the most active members with a free copy of the film weeks before it is available to everybody else. While film piracy is a concern for majors, it is an opportunity for independents instead to gain circulation and reach a bigger audience.

Back to the Roots: After principal photography we also announced a short hiatus of the team, yet never quite returned from it on social media for long periods of time. Because of countless delays, occasional re-shoots and a disintegration of the whole team but its core members, the post production phase extended considerably and far beyond even the bleakest estimates. This lack of a definite goal disappointed both us and our audience and in parts the reach and level of engagement went almost flat across all our channels. However, the news and subsequent release of our teaser and trailer resulted in sudden popularity spikes which indicates that a hibernating following can be activated with what is relevant to them.

While the trailer was delayed, we were still optimistic to release the film within a few months to come and in one of our strategic social media meetings we conceived 'Making-Of-Mondays', in an effort to provide our users with a glimpse behind the scenes and incentivize a conversation until the launch of the trailer. Every Monday we posted a short video clip or blog-post and

¹³ cf. Marich 2013: l. 180.

¹⁴ About the chances of crowdfunding for independent films cf. Eidinger (2012)

announced it on Facebook. While each Monday the visitors on our blog multiplied, nobody wanted to comment which was probably due to the low incentive to add one's opinion on an unfamiliar topic without a direct invitation.

5.3.4. Post mortem

Since the literature at hand is mostly considered with a sustained and continual social media activity, there are no guidelines or information on how to conclude social media activities for products with a limited life-span, such as films. While there certainly needs research to be done and cases documented, I propose the following procedure:

While the film still can be kept available online, either on a dedicated page or on a video platform, the project should officially be announced as finished. This could happen by thanking the community and ceremonial 'closing' of both Facebook page and blog by publishing a 'Farewell' post to stick on top. This closure should be reflected in all channels. While it certainly is feasible to announce eventual new productions to the established community, the film's sites should not be covered in promotions for other projects.

The meta story we told about us making *Back to the Roots* petered out with our personal motivation thanks to the gradual breaking away of our team, the low engagement online and other academic obligations. Still, the last of us are committed to finishing the film albeit more than a year late, and with the methods learned from researching and writing this thesis at hand we are positive to re-engage our followers and provide them with interesting content and *AIR: Authenticity, Inclusion and Respect*.

5.4. Philosophies

From these described practices three different *philosophies* are were inferable, *Authenticity*, *Inclusion* and *Respect*, or *AIR*, which the author considers as the all-embracing principles to follow when making and marketing independent films. *AIR* also stand for the core traits only independent film productions can display in comparison to the Hollywood majors.

5.4.1. A – Authenticity

While especially independent productions with quality standards for themselves are likely to want to appear as 'corporate' as possible, it is exactly this behavior that is off-putting to the audiences on social media. The advantage independent productions have are these flat hierarchies and approachability.

In practice this means to communicate with one's own voice and one's own opinions, (while being *respectful* towards others). It also should be mentioned that *authenticity* is the opposite of playing a role in order to appear 'especially' open or 'especially' approachable for the sake of

starting and keeping conversations. Anything phony or faux will be revealed in the long run and hurts a production much more than it benefits from staged interactions.

Hollywood majors are too big and too 'corporate' to appear convincingly authentic, it is only something individuals or small teams can embody. Authenticity also means to staying true to one's artistic visions without compromising the creative product, the film.

Authenticity means also not to censor oneself in trying to 'look good' or to obfuscate some blunder that might have happened. What hurts one's reputation is not the blunder itself, it is the insincerity towards one's audience by trying to cover it up. In practice this means admitting to mistakes, misconceptions or misinformation and also displays *respect* towards one's audience.

5.4.2. I – Inclusion

Independent films can offer their audience something that majors will never can, also: Meaningful inclusion. Audiences and communities around independent films can contribute much more than just clicking a 'Like' button or playing a forgettable branded online game. Depending on their involvement, they can help out on set, review the film on their blog or donate money to the production. In the end their contribution made a palpable difference to the production. Inclusion means for the filmmakers to open up and invite their audience along on their journey.

5.4.3. R – Respect

Hollywood majors do not respect their audiences as much as independents can, because at the end of the day Hollywood majors need to gross profits.

Respect towards one's audience is shown alone from the mode of interaction (one-to-many or rather one-to-one) and also how critical comments or crises are being handled. Respect means to take the audience's concerns at heart and any interaction with them should not be to their disadvantage. Concretely this could mean to value their privacy by not using Google Analytics on the film's production blog, for example. Respect also means not to deceive a trustful audience by intentionally deceptive communication or by ignorance.

6. Conclusion

This thesis was concerned with finding exemplary means and methods which marketing managers of self-distributing independent film productions can employ to effectively advertise and market their product primarily in or via social media without a dedicated marketing budget by discussing and examining various literature. In order to answer this question, three subsequent questions had been initially posed:

1. In which aspects relevant to marketing are independent productions different from Hollywood productions?
2. What are current methods and tendencies in the marketing of independent productions and Hollywood productions?
3. What are the advantages of social media for independent productions?

These questions governed the overall structure of the thesis at hand and in consideration with the practical lessons learned from *Back to the Roots* led to a course of action in chapter four.

Chapter 2 sought to differentiate independent productions from Hollywood majors and found that the differences relevant for marketing were rooted in their goals, priorities, audience sizes, production environment, production budget, marketing budget and marketing supplier.

Chapter 3 first identified the unique properties of film goods as being experience goods of infinite variety which pose a paradox in communication with the consumers; examined the term *marketing* in the context of experience goods and outlined the methods of Hollywood majors to market films. This was contrasted with a look at the marketing of independent films before the proliferation of the internet. It concluded with independent films being at a disadvantage because the majors' marketing funds secure their supremacy in one-to-many advertising situations.

Chapter 4 introduced how the internet's modes of communication shook up the balance of power in marketing between independents and majors. Because of the rise of social media with its inherent properties of one-to-one communication between individuals, the independents have advantages over the majors in this field.

Chapter 5 operationalized the findings in utilization with the author's practical experiences and identified three philosophies for independent productions to adhere to when marketing their films in social media, *Authenticity*, *Inclusion* and *Respect*.

Critical Evaluation

This thesis considered only the upsides of social networks, such as Facebook, while it must not be forgotten that Facebook still is a publicly held US company offering advertising and is subject to US law and everything this fact entails, such as adhering to the PATRIOT Act of 2001 which grants the government boundless access for fighting terrorism,¹ or allegedly been forced to transfer user data to the national security agency (NSA).² Further, all user contributions are stored on servers owned by Facebook for processing and creation of individual profiles and that Facebook is granted a “non-exclusive, transferable, sub-licensable, royalty-free, worldwide license”³ for using any uploaded intellectual property (IP) content such as videos, images, etc.. What this means to the individual production has yet to be examined further but the legal gray area concerning IP rights and privacy is undeniable.

The six Hollywood MPAA members and, in part, Lionsgate have been considered as a homogenous conglomerate of corporations with interchangeable business interests, however each studio has a different philosophy than the others.

Further Research

The focus of this thesis was necessarily very narrow on independent film productions marketing solely on-line without the goal of creating profit nor any budget for marketing.

It would be worthwhile to examine how the introduction of monetary considerations would change both the product, marketing approach and *authenticity* of an independent production. Another angle would also be an examination of the impact of paid advertising in social media channels or in combination with guerilla-style marketing strategies accompanying a film’s production, eventually funded by crowdfunding activities where the community becomes a film’s investor. Taking another perspective, it could be discussed if and how Hollywood majors are able to modify and employ the *AIR* philosophies for content marketing themselves.

Discussing the *AIR* philosophies in the marketing of collaborative creative products other than film could be of interest (e.g. independent games) or if and how it applies to other products that are not experience goods.

¹ cf. *USA PATRIOT Act 2001*: 1 ff.

² cf. Rettman 2013.

³ Facebook 2013b.

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- Star Wars* (1977). Dir. Lucas, George. Prod. Lucasfilm. USA.
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Glossary

AAA (pronounced “Triple A”), a term of unclear origin in the video game industry denoting a production with enormous budget for production and marketing, targeted at the mass market; comparable to Hollywood major releases. 58

Blue Ocean “Blue oceans denote all the industries *not* in existence today, [...] [they] are defined by untapped market space, demand creation, and the opportunity for highly profitable growth, [...] competition is irrelevant because the rules of the game are waiting to be set”⁴. 29

call to action A direct prompt for the user/reader/consumer to take an action, such as an image titled ‘Click me!’ or Facebook posting reading ‘Share this with your friends’, etc.. 65, 66

Easter egg A feature or message in a work that was hidden intentionally by its creator(s). 61

footage Film or video material recorded by a motion picture camera that has not been edited or otherwise post-processed. 27, 56, 81

key visuals The primary artwork used in marketing a film that should embody its experience and “mood” and is used broadly in the marketing materials to foster the films branding and recognition value. 52–54, 56, 76, 77, 81

key-copy line also tagline, a short slogan accompanying a movie title (usually in print advertising) to “reinforce the marketing message in the minds of moviegoers”,⁵ e.g. “In space, nobody can hear you scream” for *Alien* (1979). 52, 54, 56, 76

marketability “If a film is marketable, this means that the film sounds appealing and will be relatively easy to market. This could be due to the wide appeal of the story, the calibre of the cast, director or other key personnel or the genre”⁶. 22, 23, 42, 47, 49, *see also* playability

media buy The broadcasting time bought from TV or radio stations and other media. Usually for playing commercials. 45, 64, 70

⁴ Kim and Mauborgne 2005: 4 f.

⁵ Marich 2013: 125.

⁶ Kerrigan 2010: 41.

playability “Playability relates to how the film will be received by those watching it. This is a combination of how the film meets expectations set by the name and other cues communicated through the marketing campaign as well as the story, acting, directing, cinematography and so on”⁷. 47, 48, *see also* marketability

principal photography The phase of film production where the majority of a film is shot. If parts of the recorded footage not deemed feasible during editing, a *re-shoot* can be scheduled which usually is not part of *principal photography*. 43, 48, 56, 78, 79, 81, 82

slate (of films) “The term ‘slate’ of films, refers to a situation where one company has a number of films in various stages of pre-production, production and post production simultaneously. [...] Under this system, each successful film provides the finance for the films to follow in the development process”⁸. 24, 27

tagline . 52, 76, 99, *see* key-copy line

visual effects Abbreviated VFX. Special film effects created digitally by manipulating already recorded footage, in the pre-digital area known as *optical effects*. Not to be confused with *special effects* which are created live on set. 27, 52, 75, 80–82, 103

⁷ Kerrigan 2010: 41.

⁸ Kerrigan 2010: 48.

A. Appendix

A.1. Exemplary copyright notice

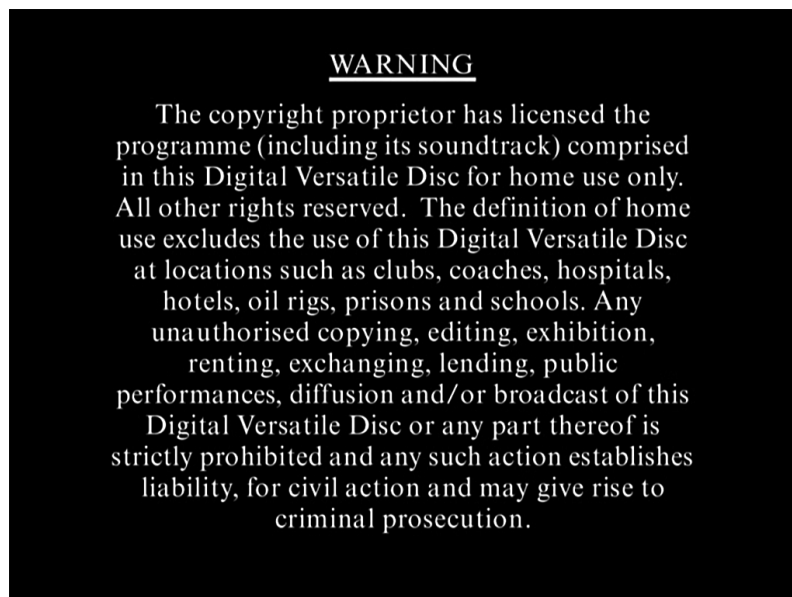


Figure 4.: **Columbia TriStar Home Entertainment 2004.** Copyright pre-roll to the DVD version of *Ghostbusters* indicating that a license for home use only has been granted to the DVD's buyer.

A.2. Independent Films' Budgets

| Film | Year | Budget in USD | Inflation adjusted ¹ |
|-------------------------------------|------|---------------|---------------------------------|
| <i>Monster from the Ocean Floor</i> | 1954 | \$ 12,000 | \$ 104,332 |
| <i>Carnival of Souls</i> | 1962 | \$ 30,000 | \$ 232,328 |
| <i>Dementia 13</i> | 1963 | \$ 40,000 | \$ 305,721 |
| <i>Return of the Secaucus Seven</i> | 1979 | \$ 40,000 | \$ 128,857 |
| <i>Patti Rocks</i> | 1988 | \$ 20,000 | \$ 39,540 |
| <i>El mariachi</i> | 1992 | \$ 7,000 | \$ 11,669 |
| <i>Clerks</i> | 1994 | \$ 27,000 | \$ 42,609 |
| <i>Swingers</i> | 1996 | \$ 250,000 | \$ 372,653 |
| <i>In the Company of Men</i> | 1997 | \$ 25,000 | \$ 36,429 |
| <i>π</i> | 1998 | \$ 60,000 | \$ 86,090 |
| <i>The Last Broadcast</i> | 1998 | \$ 900 | \$ 1,291 |
| <i>The Blair Witch Project</i> | 1999 | \$ 35,000 | \$ 49,133 |
| <i>Judy Berlin</i> | 1999 | \$ 200,000 | \$ 280,765 |
| <i>Tadpole</i> | 2000 | \$ 150,000 | \$ 203,726 |
| average | | \$ 64,064 | \$ 135,367 |

Table 3.: Budgets of popular independent films in different eras, after Gaspard 2006, expanded with inflation-adjusted values.

¹ Adjusted to 2013's prices by the average Consumer Price Index (CPI) with data provided by the US Bureau of Labor Statistics (http://www.bls.gov/data/inflation_calculator.htm)

A.3. Back to the Roots: Distribution of Costs

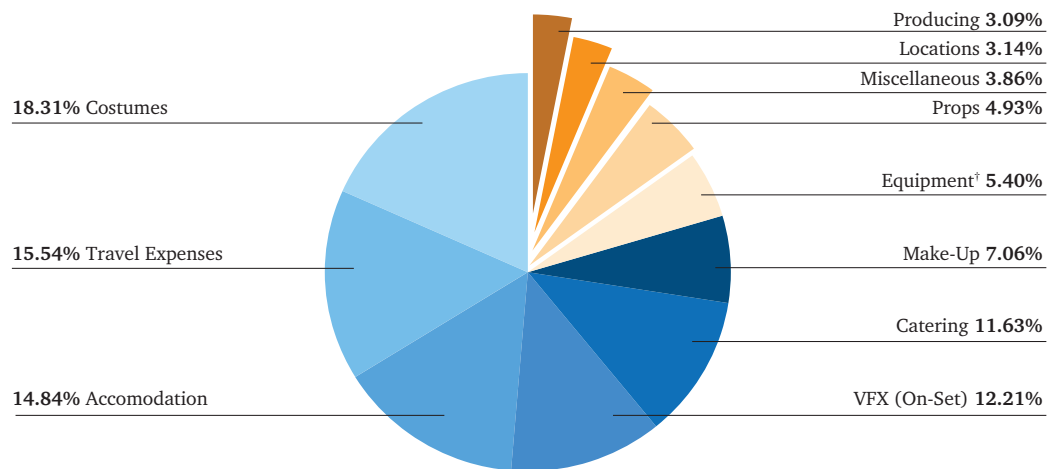


Figure 5.: **Strahl 2013**. Cost distribution of *Back to the Roots* prior to mastering. Also note the absence of fees for both talent and filmmakers.

[†] The reason for the low spending on equipment was due to the support from the FH Salzburg which provided the production with most of the employed gear for free, most notably the digital motion picture camera and lamps.

A.4. Digital Version



The digital version of this thesis can be downloaded as PDF at
<http://philstrahl.com/downloads/publications/thesis-2013.php>

Saved snapshots of the referenced websites can be found there
in a zipped archive, protected by the password
TheAIROfIndependenceOnlineReferences