



Contents lists available at ScienceDirect

IJRM

International Journal of Research in Marketing

journal homepage: www.elsevier.com/locate/ijresmar

The role of network embeddedness in film success[☆]

Grant Packard^{a,1}, Anocha Aribarg^{b,2}, Jehoshua Eliashberg^{c,3}, Natasha Z. Foutz^{d,*}^a Laurier School of Business & Economics, Wilfrid Laurier University, Canada^b Ross School of Business, University of Michigan, United States^c Wharton School of Business, University of Pennsylvania, United States^d McIntire School of Commerce, University of Virginia, United States

ARTICLE INFO

Article history:

First received on June 3, 2014 and was under review for 6½ months

Available online 17 July 2015

Area Editor: Oded Netzer

Guest Editor: Eitan Muller

Keywords:

Entertainment marketing
 Motion pictures
 New product development
 Collaboration networks
 Network embeddedness
 Functional roles

ABSTRACT

In the early stage of film development when producers assemble a development team, it is important to understand the means by which different team members may contribute to the film's box office. Building upon theories from marketing and sociology, we propose that these contributions arise from team members' positions, or embeddedness, in a social network weaved through past film collaborations. These collaborations provide team members with opportunities to draw knowledge and skills from the network for new film projects. Our conceptual framework accentuates two aspects of network embeddedness: positional embeddedness (PE)—how well a person is tied to well-connected others, and junctional embeddedness (JE)—the extent to which a person bridges sub-communities in the industry. We examine how the importance of PE and JE varies by functional role (cast versus crew), and is moderated by the film's studio affiliation.

Analyzing more than 15,000 industry professionals over nearly two decades of film collaborations, this research reveals crucial and divergent relationships: while high PE is more valuable for the cast, high JE is critical for the crew. This role distinction also depends on a film's studio affiliation. Managerially, these findings provide guidance to film executives and producers in revenue maximization through strategic team assembly, and to talents in career management.

© 2015 Elsevier B.V. All rights reserved.

1. Introduction

The movie industry is a prime example of *Risky Business*. U.S. film studios are estimated to have spent an average of over \$40 million to produce and market a single film in 2014, yet these films averaged only \$15 million in North American box office. With budgets approaching \$200 million to market a film internationally, global box office similarly fails to deliver positive returns for the average global release (McClintock, 2014; Motion Picture Association of America, 2014; Nash Information Services, 2015). To improve returns on investment, film executives and producers are keenly interested in understanding and managing key factors

[☆] The authors contributed equally and are listed in random order. The authors would like to thank Nicole Coviello and participants at the 2013 Empirical and Theoretical Symposium at Western University—Ivey for their valuable feedback; and the McIntire School of Commerce and Batten Institute at the University of Virginia for financial support of this research.

* Corresponding author. Tel.: +1 434 924 0873.

E-mail addresses: gpackard@wlu.ca (G. Packard), aaribarg@umich.edu (A. Aribarg), eliashberg@wharton.upenn.edu (J. Eliashberg), nfouz@virginia.edu (N.Z. Foutz).

¹ Tel.: +1 519 884 0710x4030.

² Tel.: +1 734 763 0599.

³ Tel.: +1 215 898 5246.

in the early stages of film development before making such enormous investments. Given the cost associated with, and the critical contribution of, a film's core team—the principal on-camera cast (e.g. lead actors and actresses) and off-camera crew (e.g. director, cinematographer, and production designer)—to a film's success, it is vital to identify and assemble a high potential core team of collaborators. Past research has focused on box office success as driven by product features, such as genre, and post-development factors such as consumer responses to storyline, advertising, distribution, critics, and word-of-mouth (Eliashberg, Elberse, & Leenders, 2006). We extend this literature by emphasizing the crucial value of the core development team to box office success.

Movie development is characterized by fluid construction and dissolution of development teams on a project-by-project basis (Guimera, Uzzi, Spiro, & Amaral, 2005; Uzzi & Spiro, 2005). For example, when Leonardo DeCaprio and Tom Hanks collaborated in *Catch Me If You Can*, a link between them is established. As they also work with other people on different film projects, more links are generated to form an elaborate collaboration network—a structure consisting of connections among individuals through their prior collaborations in the industry. In light of this networked structure and guided by prior research examining industrial social networks (e.g. Ahuja, Galletta, & Carley, 2003; Cattani & Ferriani, 2008), we take a perspective of interconnected, as opposed to isolated, individuals in the film industry. In particular, we examine two key properties of each person's embeddedness in the collaboration network: positional embeddedness (PE)—the extent to which the person has collaborated with well-connected others in the network; and junctional embeddedness (JE)—the degree to which the person's prior collaborations bridge different network sub-communities (Zukin & DiMaggio, 1990). Intuitively, relations with well-connected others (PE) may increase one's reputation and image, while connections across sub-communities in the network (JE) may represent enhanced access to unique or diverse technical and artistic skills that can benefit future projects (Cattani & Ferriani, 2008; Grewal, Lilien, & Mallapragada, 2006).

Taking the perspective of film producers who are in direct charge of team assembly, we theorize that PE and JE hold differential importance across functional roles in a team, which we classify as the core front-of-scene cast and behind-the-scene crew. For example, a cast member with high PE may have a strong reputation in the industry, helping a movie signal its quality and generate publicity. This network position should be less critical to the crew, whose value arises more from their unique and diverse technical experience. Considering the different responsibilities and skills required across these different functional roles, PE is potentially more valuable to the cast and JE more crucial to the crew.

Furthermore, films affiliated with a major (e.g. Universal), as opposed to an independent (i.e. indie, e.g. Yari Film Group) studio may take advantage of their superior brand recognition in influencing the films' distribution and publicity (Eliashberg et al., 2006). Hence, we propose a film's studio affiliation as a potential moderator of the relationship between box office and team members' network embeddedness. Specifically, given indie studios' typically low marketing budgets and lack of brand recognition among exhibitors, promoters, and consumers, it is likely that high PE among all members will add extra benefits to indie films.

In summary, we construct a conceptual framework to address a number of important unanswered questions of theoretical and managerial significance. *Do cast's and crew's positions in the film industry's network impact their contribution to box office? Does the nature of this contribution depend on functional roles? Should a major versus indie studio assemble its team differently?* These inquiries will not only identify key driving forces underlying the relationship between box office and team members' network embeddedness, but also offer potential answers to one of the most challenging questions facing the film industry—*How does a studio assemble a multi-functional team that maximizes a film's box office potential?*

To address these questions, we analyze the box office revenues of 2110 movies released over a six-year period, leveraging nearly two decades of collaborative histories involving more than 15,000 film industry professionals. Building upon the marketing, management, and sociology literatures, we derive role-level metrics of network embeddedness (PE and JE) for core team members. We then link these metrics to box office while controlling for variations in film quality, talent popularity, and studio resources. The results show that while PE is more valuable for the cast, JE is more critical for the crew. Although past research has focused on the cast's contribution to box office (e.g. Elberse, 2007; Luo, Chen, & Park, 2010), our research highlights the importance and distinct value of the crew. Hence producers may wish to consider assembling a more balanced team involving a crew with diverse experiences rather than a team driven solely by a star cast. Finally, we find that indie, but not major, studios can accrue additional benefits by engaging a crew that is well-connected to prominent (high PE) industry collaborators.

The remainder of the paper is organized as follows. We first construct the conceptual framework. We then describe the two metrics of network embeddedness and our modeling approach. The subsequent section delineates the data, empirical analysis, and managerial implications. We conclude by summarizing the contributions and limitations of this research, as well as suggesting avenues for future research.

2. Conceptual framework

2.1. Film industrial network and functional roles

Prior research focuses on the impact of product characteristics and consumer responses on box office (e.g. Eliashberg et al., 2006). By focusing on the film development team, we expand this literature and aim to provide some answers to one of the most challenging questions facing the motion picture industry—core team composition. Relevant to this inquiry, the literature on new product development (NPD) suggests that NPD team members' functional diversity (Sethi, Smith, & Park, 2001) or specific cognitive skills (Madhavan & Grover, 1998) impact team performance. Moreover, when NPD teams are constructed and dissolved fluidly on a project-by-project basis, team members benefit from their prior collaborations in a variety of ways, such as gaining information, reputation, knowledge, skills, and/or support that can be applied to future projects (Cattani & Ferriani, 2008;

Download English Version:

<https://daneshyari.com/en/article/880038>

Download Persian Version:

<https://daneshyari.com/article/880038>

[Daneshyari.com](https://daneshyari.com)