THE PARADOX OF CREATIVITY AND BUSINESS IN FEATURE HOLLYWOOD FILMMAKING: THE RELATIONSHIP BETWEEN MOTION PICTURE PRODUCTION AND BUDGETING

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This study examines the relationship between movie budgeting and the creative process in Hollywood filmmaking. To understand the effects of this relationship on the creative product, several films are analyzed within the production process where conflicts between the investors and creators are observed. A case study approach is guided by theories of the production of culture, which state that creative products manufactured in the cultural industry must be analyzed in relation to their surrounds society. Findings suggest previous indicators of box office success are becoming primary influences in the filmmaking process. The study also finds that financial standards in Hollywood potentially inhibit innovation among creative participants within a limited Hollywood creative sphere.
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CHAPTER 1
INTRODUCTION

Since its invention, the motion picture has been a medium that tells stories as a means of making money, and in turn should best be known as a business first and an art form second. Hoppenstand (Litman, 1998) describes Hollywood filmmaking as the business of making and selling dreams, in which these two fundamental value systems must work together to achieve success. Historically, some films have revealed that they can achieve both critical and commercial success when balanced properly (Litman, 1998). The balance is sometimes difficult to achieve, however, because the financial return does not always correlate directly to the original investment.

Brief History

In its origin, the motion picture was marketed as a novelty, alongside penny arcades and tent shows, but even then it was recognized as an economic entity of mass proportion (Litman, 1998). Edison and other inventors were keen on exploiting the technology by not licensing others to utilize their cameras, thus forcing their competing exhibitors to be dependent on the content only available from Edison’s group. However, the demands of the public soon grew beyond the basic content available, and the original filmmakers were unable to provide enough products for the market. With the addition of the narrative, and the one-reeler, the film industry became a venture for creative minds to work with, as there was always a demand for something new and different.
Along with the new ability to duplicate Edison’s invention, the scope of its potential began to be recognized with new innovations to allow larger viewings, as opposed to the single-person kinetoscope Edison created. The projection system known as a “vitascope” only emphasized a need to satisfy an easily bored mass audience with more sophisticated motion pictures (Litman, 1998). This audience evolution gave way to nickelodeons in 1905, at which point the fad was proving it could be a major part of the entertainment industry. In its efforts to captivate a demanding audience, the motion picture experimented with crosscut editing, and other techniques, as film was being rediscovered as a blank canvas where reality could be suspended and manipulated to please an escaping audience (Hark, 2002). From its birth, motion pictures were a means of expression, but as its pioneers became more familiar with the technology, they began to shape and mold the images into their own artwork.

…the movie industry had passed across the imaginary line from being merely a novelty to an art form, and this would be its beginning as the creator of cultural artifacts that, alongside popular music, would clearly identify the U.S. experience… (Litman, 1998, p. 8).

Through its evolution, the film industry constantly recognized demand for content, and the demand brought about creative ideas and technological innovation that catered to an audience that was growing in numbers. According to Merritt (Hark, 2002), at its peak in 1910, an estimated 26 million Americans visited the nickelodeons every week, which was about 20 percent of the national population. This demand also increased
production costs along with production quantity due to the rapid turnover of the film product. The turnover rate, along with the increasing production costs, changed how the motion pictures were made and marketed, and new market strategies led to the leasing of motion pictures instead of buying them (Litman, 1998).

The leasing of films allowed different theaters to share in the expenses of the production, in an effort to keep ticket prices down. Exhibition was always expanding as well, as the industry grew beyond the nickelodeons into the 1920s. Production costs, which could not be restrained by five-cent tickets, along with the vertical integration that followed, brought about movie palaces and feature-length films marketed for an urban middle class (Hark, 2002). Unfortunately this led to an abandonment of the original audience, the working class. Even the nickelodeons were recognizing a wealthier audience, opening in business areas on the outer boundary of the slums, bordering white-collar shopping centers (Hark, 2002).

The new, feature-length films were being tailored for an urban middle class audience in luxurious theaters, with film adaptations of stage renditions featuring famous Broadway stars. The recognition of this market brought about a new kind of production system, as well as distribution. Paramount executives, such as Adolph Zukor, began conducting nationwide advertising campaigns to reach out to moviegoers, as opposed to exhibitors as was the standard in the past. Fuller (Hark, 2002) explains the theme of these campaigns as an appeal to small town middle-class aspirations, allowing the possibility to be included in the culture that the urban middle-class audience has access to. One advertisement stated:
Last time you were in New York you went to 47th Street and Broadway and joined the big crowd of good-looking, well-dressed people that passed through the gay entrance of the Strand….You wished that you could have such a theater at home- one with pictures like those and a crowd like that. You have the Strand in your town if you have Paramount Pictures! You have the good plays and the good audience (Hark, 2002, p. 45).

The promotional goals of the movie palaces ignored the needs of the working class, and ignored the economic benefits of the nickelodeons in an effort to reshape the movie-going experience for the entire nation. Other entrepreneurs were soon to copy Paramount’s tactics, such as Marcus Loew and William Fox (Hark, 2002). Together, their marketing efforts changed the national idea of culture and what defined the prestigious status of modernity. Towns were marked by whether or not they had a movie palace, and it became a goal to have one if the town was to be taken seriously with aspirations of being considered a city.

All of these factors promoted an oligopoly, and production value had proven to be a lucrative commodity. By the 1930s, the studios were able to invest large pools of capital in their pictures and generate massive returns by showing their pictures exclusively in their theaters. Star value was also recognized as a commodity, and the six major studios that formed- MGM, Paramount, RKO, Twentieth Century Fox, United Artists, and Warner Brothers- relied on exclusive contracts with their actors in order to associate them with the studios’ products (Caves, 2000). Their stronghold was not only on the exclusive distribution of their respective productions, but also on the actors they held to contract, utilizing their assets as the studio saw fit. Stars were indeed a
powerful marketing tool, and their popularity had a major influence on audience turnout, as well as branded the studios. Though other studios, such as Columbia and Universal remained competitive within the film industry, their product was simply of lesser production value to that of the major six studios. They did not have access to mainstream production criteria stockpiled by the major studios and lacked large-scale exhibition control (Caves, 2000).

The oligopoly of the 1930s and 1940s was known as the studio system, and the major studios flourished in complete domination of the market until the late 1940s when the Paramount case essentially ended the studio system. The case was based on a conspiracy by the top five studios to eliminate all remaining competition by controlling both exhibition and distribution of their films (Litman, 1998). In their extensive ownership of not only the larger theatres, but also the best locations, the major studios created a barrier against the integration of new studios and independent producers (Caves, 2000).

Additionally, the studios implemented price discrimination by limiting the use of their first-run theaters, which were the largest, were centrally located, and had the highest admission fees. Studios capitalized on exhibition control by showcasing their pictures first in these theatres, followed by lower priced showings at neighborhood theatres. This strategy, known as block-booking, effectively filled an entire year’s film schedule without permitting any access for other exhibitors, distributors, or producers at any point in the vertical path (Litman, 1998).
After the results of the Paramount case disallowed the monopolization of distribution and exhibition, the studio system deteriorated and a new system called “flexible specialization” became the Hollywood standard (Caves, 2000). This is discussed more thoroughly later in the study, but in short, flexible specialization allowed creative minds to circulate throughout the industry from project to project, and in effect, strengthened the creative power behind movie-making. Flexible specialization is still intact today in Hollywood, and in response to the studio system, allows a spectrum of creative ideas from collective minds that circulate throughout the entire industry.

Though the structure of the movie industry has vastly changed since its origin in the late 1800s, the fundamental business interests have ultimately remained the same. The success of a film is traditionally measured by how much money it makes in its different applications, which of course depends on how effectively it attracts an audience. In other words, a film’s success is based not only on its substance, but also on its studio funding, distribution, marketing and advertising; all of which influence the number of people that view it.

The Current Study

Hollywood studios are very careful in budget projections, and are constantly investing in research that will ensure their projects earn a profit. Though the creative quality of the film is partially responsible for the financial success of the film, the filmmaking process is dependent on funds already supplied and controlled. For the current study, the terms “creative,” “creator,” “creative process” and “creativity” refer to aspects of the manufacturing a cultural product as opposed to notions of creating works of art independent of financial motivation. The Hollywood industry specializes in the
manufacturing of creativity for public consumption, and thus its goods are referred to as “creative products” (Litman, 1998). The interaction between Hollywood production teams and studios is based primarily on funding, and though Hesmondhalgh (2000) maintains a cultural clash inherently exists between these separate and unequal contributors, they work closely together to manufacture a creative product in an attempt to achieve financial success. This study examines the interdependent relationship between members of the creative team and financial investors and the conflicts that influence the outcome of the creative product in Hollywood.

Within the foundation of a film, there is a conflict between what the vision of the movie is, and how to transform that vision into a mainstream motion picture while working inside the financial boundaries established by the studio. This conflict makes Hollywood the best and worst place to make movies, because financial flexibility exists and can empower a creative team with valuable resources that cater to innovation, but along with the substantial funding available comes an increased level of studio influence, which relies heavily on components of previous box office success in an effort to duplicate it (Wyatt, 1994). To help illustrate these conflicts as they apply to Hollywood film production and marketing, this study will focus on three broad divisions of film production: Pre-production, production, and post-production.

During pre-production most creative conflicts occur based on the buying and selling of the original story, and its adaptation to screen requires new creative influences, such as a screenwriter and other members of a creative team hired by the investor. Other pre-production conflicts arise in the hiring of talent and other negotiations, which rely primarily on introducing new influences to a pre-existing story.
Aside from the screenplay, the Hollywood model for the production stage of a film shift these conflicts to the shoulders of the directors and producers who must deal with what is, and what is not within their financial and creative range. Some of these factors include location, scheduling and production value.

During post-production the editing process can be the most crucial area of creative conflict. Financial demands can interfere with the use of available technology and deadlines play a major factor while moderating changes between directors, producers and studio executives.

In all three stages the creative process is influenced by marketing data as well, and the desire for a more financially predictable product fuels the increasing level of studio control in Hollywood (Hesmondhalgh, 2000). Although filmmakers often resist studio authority to some extent, it is important to acknowledge that the investor maintains ultimate authority within the production dynamic in Hollywood.

However, Hollywood studios maintain an appearance of separation from the production team, and the interior, hands-on contributions of a production team demonstrate a co-dependent relationship between the divisions. For the Hollywood model to be financially successful, it must appeal to consumers on a national level. Because audiences respond in different ways to different films, Hollywood is partial to backing well-received styles and stories that appeal to common cultural goals, relying on the reworking of traditional narratives that have demonstrated financial success in the past (Crane, 1992). According to Vogel (1998), the Hollywood industry is shaped by an ever-increasing demand for larger pools of capital to launch major projects, and this can be seen in the following data. Within the Hollywood model the studios generally
attempt to ensure a large return by granting a large budget, and they have invested significant marketing research into the maximization of profits as they correlate to projected budgets. Further, industry professionals have attempted to predict motion picture financial success through many different avenues, including star power, production value, promotional and publicity strategies and others (Litman, 1998). Though no direct links have been proven consistent, it is easy to see that a large budget can improve the quality of the film by giving the production more of everything it needs, such as time, setting, technology and people, however, these factors do not necessarily ensure financial success.

Many independently made films, such as Clerks (1994), The Blair Witch Project (1999), and El Mariachi (1993), have flourished under limited financial circumstances. Instead, a substitute for production value is often seen through the demand for innovation. The result for many “outsider” films such as these is an innovative aesthetic that audiences embrace, and their appeal contrasts the formula in place in Hollywood. The desire for a measurement of mass audience prediction restricts Hollywood’s investments to the regeneration of traditional, “safe” narratives, and given that the rate of failure in the industry is 70%, the pressure for the successful projects to earn an enormous return means bigger is better for Hollywood (Lampel & Shamsie, 2000).

To demonstrate the comparable success of independently made feature films with nationwide theatrical distribution, Hollywood movie budget and U.S. theatrical gross information has been analyzed from 1933 to the present. The information was taken from a database provided by Nash (2005) containing a random selection of one or more
films from each year. The data was used to compare budget information to gross information in order to determine whether or not there is a direct correlation.

The analysis uncovered a somewhat steady budget pattern of between $2 million and $5 million for major studio projects from 1937 until the 1960s. According to the data from 1937 to the 1960s, budget information proved to be a somewhat reliable barometer for box office success, with most Hollywood projects earning a return on investment (ROI) of more than 300%. However, the ROI disintegrated as the budget increased—a trend which will be revisited in the analysis of more recent pictures. Between 1937 and 1960, many $2 million projects eclipsed those costing $5 million to produce, but typically films budgeted with $4 million or more had a higher U.S. Gross. In many instances, the budgets that exceeded $2 million showed a slight increase in total U.S. gross, but a major decrease in ROI. In any case, during the period between 1937 and 1962, Hollywood implemented somewhat consistent budgets for the projects on record, which earned somewhat predictable profit margins in comparison to later decades.

The data showed that beginning in 1962, the U.S. gross information began to discredit the budget information as a prediction source for a reliable return rate, as many relatively low-budget projects (under $3 million) began to far exceed the rate of return for those with relatively high-b Budgets (over $10 million).

Many factors influenced the success of small, relatively independent films in direct opposition to large budget studio pictures being made. This development was due, in part, to a separation between Hollywood and its audience, as American culture changed rapidly throughout the 1960s. As it did, Hollywood was unable to keep up, and looked to outside sources for material that would speak to and for a changing culture.
(Crane, 1992). This cultural shift, in part, can account for the erratic changes in Hollywood budget and gross patterns in the 1960s and early 1970s.

When the culture finally settled, and Hollywood was able to identify mass cultural goals and regain its pull on audiences, high budget pictures began to prove themselves to be adequate barometers for box office success once again. From the late 1970s, budgets increased steadily into the following decades. The average production cost for an MPAA movie in 1983 was $11.9 million, compared to $29.9 million in 1993 and $63.8 million in 2003 (Nash, 2005). Average Ticket prices for the corresponding decades were $3.15 in 1983, $3.91 in 1987, $4.14 in 1993, and $6.03 in 2003 (Nash, 2005). When these numbers are factored into the number of total U.S. Admission- 1.09 billion in 1987 (no previous data), 1.24 billion in 1993, and 1.57 billion in 2003- a comparison between budget and box office success can be seen on a large scale (NATO, 2005). For reference, these numbers translate into $4.26 billion in 1987, $5.13 billion in 1993 and $9.46 billion in 2003 in total U.S. film gross.

These figures indeed suggest that bigger is better for Hollywood, as the totals in all categories have grown considerably over the past few decades. However, as the data has shown, large budgets do not have any correlation to an increase in the rate of return. Further, Table 1 shows that large budgets do not necessarily ensure a profit at all.

Tables 1 and 2 contain Hollywood feature films selected by all time budget rank. The top ten highest budgeted films were selected in Table 1, as were the top ten lowest budgeted films to earn at least $1 million at the box office in Table 2. The all time U.S. Gross rank is provided when available to illustrate a correlation (if any) between budget
and financial success. The ROI is also provided to illustrate the actual percentage of return after the losses incurred in the budget for each film have been accounted for. This will lead to a better understanding of each film’s actual financial success compared to one another.
Table 1: Top 10 Films by Budget amount in U.S. $

<table>
<thead>
<tr>
<th>Release Date</th>
<th>Movie</th>
<th>Distributor</th>
<th>Budget</th>
<th>Budget Rank (highest to lowest)</th>
<th>U.S. Gross</th>
<th>U.S. Gross Rank</th>
<th>ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/19/1997</td>
<td>Titanic</td>
<td>20th Century Fox</td>
<td>$200,000,000</td>
<td>1</td>
<td>$600,788,188</td>
<td>1</td>
<td>200.39%</td>
</tr>
<tr>
<td>6/30/2004</td>
<td>Spider-Man 2</td>
<td>Columbia</td>
<td>$200,000,000</td>
<td>1</td>
<td>$371,795,119</td>
<td>8</td>
<td>85.89%</td>
</tr>
<tr>
<td>7/28/1995</td>
<td>Waterworld</td>
<td>Universal</td>
<td>$175,000,000</td>
<td>3</td>
<td>$88,246,220</td>
<td>N/A</td>
<td>-49.58%</td>
</tr>
<tr>
<td>6/30/1999</td>
<td>Wild Wild West</td>
<td>Warner Brothers</td>
<td>$175,000,000</td>
<td>3</td>
<td>$113,805,681</td>
<td>240</td>
<td>-34.97%</td>
</tr>
<tr>
<td>7/1/2003</td>
<td>Terminator 3</td>
<td>Warner Brothers</td>
<td>170,000,000</td>
<td>5</td>
<td>$150,358,296</td>
<td>125</td>
<td>-11.56%</td>
</tr>
<tr>
<td>11/10/2004</td>
<td>The Polar Express</td>
<td>Warner Brothers</td>
<td>170,000,000</td>
<td>5</td>
<td>$162,753,127</td>
<td>107</td>
<td>-4.27%</td>
</tr>
<tr>
<td>5/7/2004</td>
<td>Van Helsing</td>
<td>Universal</td>
<td>170,000,000</td>
<td>5</td>
<td>$120,150,546</td>
<td>214</td>
<td>-29.33%</td>
</tr>
<tr>
<td>11/24/2004</td>
<td>Alexander</td>
<td>Warner Brothers</td>
<td>$155,000,000</td>
<td>8</td>
<td>$34,297,191</td>
<td>N/A</td>
<td>-77.88%</td>
</tr>
<tr>
<td>5/14/2004</td>
<td>Troy</td>
<td>Warner Brothers</td>
<td>$150,000,000</td>
<td>9</td>
<td>$133,298,577</td>
<td>168</td>
<td>-11.14%</td>
</tr>
<tr>
<td>6/16/1999</td>
<td>Tarzan</td>
<td>Buena Vista</td>
<td>$145,000,000</td>
<td>10</td>
<td>$171,091,819</td>
<td>94</td>
<td>17.99%</td>
</tr>
</tbody>
</table>

(Nash, 2005).
Table 2: Lowest 10 Films by Budget to Earn $1 Million at US Box Office

<table>
<thead>
<tr>
<th>Release Date</th>
<th>Movie</th>
<th>Distributor</th>
<th>Budget</th>
<th>Budget Rank (lowest to highest)</th>
<th>U.S. Gross</th>
<th>U.S. Gross Rank</th>
<th>ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/26/1993</td>
<td><em>El Mariachi</em></td>
<td>Sony</td>
<td>$7,000</td>
<td>1</td>
<td>$2,040,920</td>
<td>N/A</td>
<td>29,056%</td>
</tr>
<tr>
<td>8/1/1991</td>
<td><em>Slacker</em></td>
<td>Orion Classics</td>
<td>$23,000</td>
<td>2</td>
<td>$1,227,508</td>
<td>N/A</td>
<td>5237%</td>
</tr>
<tr>
<td>8/9/1995</td>
<td><em>The McMullen</em></td>
<td>Fox Searchlight</td>
<td>$25,000</td>
<td>3</td>
<td>$10,426,506</td>
<td>N/A</td>
<td>41,606%</td>
</tr>
<tr>
<td>6/30/1972</td>
<td><em>Deep Throat</em></td>
<td>Damiano</td>
<td>$25,000</td>
<td>3</td>
<td>$45,000,000</td>
<td>N/A</td>
<td>179,900%</td>
</tr>
<tr>
<td>10/19/1994</td>
<td><em>Clerks</em></td>
<td>Miramax</td>
<td>$27,000</td>
<td>5</td>
<td>$3,073,428</td>
<td>N/A</td>
<td>11,283.1%</td>
</tr>
<tr>
<td>7/14/1999</td>
<td><em>The Blair Witch Project</em></td>
<td>Artisan</td>
<td>$35,000</td>
<td>6</td>
<td>$140,539,099</td>
<td>144</td>
<td>401,440.3%</td>
</tr>
<tr>
<td>3/16/2001</td>
<td><em>Gabriela</em></td>
<td>Power Point</td>
<td>$50,000</td>
<td>7</td>
<td>$2,335,352</td>
<td>N/A</td>
<td>4570.7%</td>
</tr>
<tr>
<td>5/7/2004</td>
<td><em>Super Size Me</em></td>
<td>IDP/Sam Goldwyn</td>
<td>$65,000</td>
<td>8</td>
<td>$11,529,368</td>
<td>N/A</td>
<td>17,637.48%</td>
</tr>
<tr>
<td>8/10/1977</td>
<td><em>Kentucky Fried Movie</em></td>
<td>Anchor Bay</td>
<td>$65,000</td>
<td>8</td>
<td>$15,000,000</td>
<td>N/A</td>
<td>22,976.92%</td>
</tr>
<tr>
<td>7/10/1998</td>
<td><em>Pi</em></td>
<td>Artisan</td>
<td>$68,000</td>
<td>10</td>
<td>$3,221,152</td>
<td>N/A</td>
<td>4,636.98%</td>
</tr>
</tbody>
</table>

(Nash, 2005).
According to the data presented in Tables 1 and 2, large budgets do not ensure financial success, and further, when they do make a profit the Return On Investment is modest when compared to the potential ROI of low budget films. However, the total U.S. gross of the large budget pictures in Table 1 remains astonishing and these enormous returns are depended upon to cover the losses of the majority of Hollywood’s products. Though, when set against the return rates of low budget, “outsider” pictures in Table 2, the business techniques of Hollywood are somewhat undermined.

Budget flexibility can prove to be an important part in finding financial success for Hollywood pictures, but it does not necessarily ensure that a mass audience will connect with it. A high budget alone does not provide box office success, as exemplified by several films in Table 1. The creative personnel that work on the production must ensure the finished product connects with its audience, and this connection, rather than budget, marks a film’s potential to succeed financially. Because of the necessity for audience identification, the Hollywood creative personnel are relied upon to manufacture a creative product that caters to large-scale cultural goals within the target audience (Blumler & Katz, 1974). Through this process, the influences and interests of the creative personnel, as well as those of the investors are also reflected in the content of the creative product (Williams, 1982).

According to Williams (1982), a creative product must be interpreted within the context of its culture, and when a story is adapted and reshaped by other individuals detached from the culture of its creation, the connection to the audience is jeopardized. Williams’ (1982) fundamental theory, known as the production of culture, guides the current study in order to understand the relationship between the investors and creative
personnel in Hollywood film production, and how this relationship influences the outcome of the creative product.
The Production of Culture

The business of creativity, specific to Hollywood, is best analyzed within theories of the production of culture. Some of the most important work in this field has been done by Williams (1982). Williams’ research originates in cultural studies, but the author’s devotion to sociology alters the traditional context of culture, and the factors that implement our understanding of it. A great deal of Williams’ research is devoted to the joining of manufactured or existing elements and their origination as a reflection of society (Turner, 1990). To clarify Williams’ major points as they apply to this study, art is a useful example of a manufactured element that is rooted in social reflection. A work of art must be considered in its relation to its society, and its interpretation must be bound to the characteristics within that society that influenced its creation. Williams argues that culture can only be analyzed in relation to the whole; that is all existing elements within a given society are directly related to the outcome of a production under that society (Turner, 1990). Williams’ research gives way to what has become known as the production of culture, and a great deal of research has taken place under Williams’ ideas.

Under this area of study, the focus is specific to how culture (in terms of expressive work, such as art and film) is produced. This theory is further explored by Becker (1982) as it pertains to art as a manufactured product from a creative idea. Becker writes within Williams’ original context, but with a specific focus on art, which
allows for an analysis more closely related to film production. Though Becker focuses primarily on traditional art forms such as literature, the author offers several chapters that apply directly to media production. Factors such as the working process and personal characteristics of creators, and how the production of culture not only reflects society, but also works within society are the key points of the author’s research. To look at the role of the creative workers on a non industrial level, Becker’s (1982) exploration of the production of culture is particularly useful. Becker’s (1982) work is inclusive of all forms of art in modern society, with specific attention to film. The author’s research allows for a look at creativity as a collaborative or individual trait, with attention to the final product and its reception as art. The production of culture is at the heart of the film process, and in turn, is a key theoretical foundation for this study. This philosophy will be furthered explored in its applications in Hollywood.

Though the production of culture is often explored without consideration for marketing factors specific to time and format, some research has been done to incorporate social factors that had not previously been explored. To bring us closer to Hollywood, and the production of culture that takes place within that system, Crane (1992) allows for a film specific analysis that further separates motion picture production from other areas of creative production. Crane’s (1992) research is devoted to this aspect of the production of culture, with arguments particularly useful in an attempt to understand the connection between recorded culture (such as film, tape, and type) and their creative and receptive context. Specifically, Crane uses the fundamental theories developed by Williams in a media specific application.
The research done by Williams (1982), Becker (1982), and Crane (1992) offers an analytical framework applicable to the current study, and the inclusion of other researchers, such as Hesmondhalgh (2002) and Du Gay (1997) provide a more specific economic philosophy to incorporate within theories of the production of culture. Through their separate research, the term “cultural economy” tends to take precedent over the production of culture. Specifically, for Du Gay (1997), this is due to interests in the economic success of “manufactured” culture, which is separate from interests in meanings and values people hold in such cultural activities. Research by Hesmondhalgh and Du Gay offers an opposing perspective within the same theory of the production of culture, and therefore their work should be considered in addition to that of Williams, Becker, and Crane.

For the current study, the production of culture allows for a theoretical framework based on the social factors that influence creative outcome. In this application, cultural production can help illustrate and explain how financial goals have an effect on the creative outcome of Hollywood film productions.

Cultural and Mainstream Economics

Because this topic is amorphous in its exploration of creative boundaries, it is not restricted to a classification in any singular area of study. However, at its core, movies are classified as a cultural entity, and the study of the movie industry is founded in cultural economics. The media act as a vehicle for the sale of creativity, and because creativity is the product, in order to ensure its success, it is constantly subject to conform to the demands of the consumer. Considering the product in Hollywood, the characteristics of the cultural economy, or production of culture, help us determine a
classification for the Hollywood system, as a means of selling manufactured creativity.

To maximize profits in the sale of creativity, Hollywood has most successfully incorporated the fundamental principals of mainstream economics. Mainstream economics is best explained in this nature by Hesmondhalgh (2002), as a practice of studying and understanding how markets can ideally function in catering to human wants and desires. Theories of mainstream economics revolve around utility, or the measure of happiness or satisfaction gained from a good or service. Mainstream economics have no apprehension for social integrity, or any form of human rights or needs, but rather a systematic concern with the interests of media consumers (Hesmondhalgh, 2002).

This area, when applied, is narrow-minded at best. It immediately conjures social concern when set against cultural studies, for example, which is founded on the principal that the media influences the public actively and passively. However, Hollywood continues to work within a mainstream economic state, devoting the majority of the studios’ marketing research to satisfying audience desires on a massive scale, and therefore producing films with minimal financial risk. This trend is not unwarranted, as the media industry as a whole is a business with short product life, and is therefore referred to as “hypercompetitive” by D’Aveni (1994). The film industry, is, by nature, a risky enterprise, thus it is no surprise that the production process in Hollywood incorporates aid and advice from studio oriented, as well as independent contributors. It is in this respect that the current Hollywood system often fails to deliver an original product, or one that has not been shaped to fit a mainstream economic model.
Flexible Specialization

Caves (2000), however, argues that the incorporation of multiple modes of input is more likely to strengthen the outcome of a production, in reference to what is referred to as “flexible specialization.” As mentioned earlier, the disintegration of the Hollywood studio system of the 1930s and 1940s was replaced by this modern-day production format. Instead of the consistent, patterned stream of films produced under the studio system of the past, flexible specialization offers a customized, one-shot movie deal that can encompass ideas from people in temporary creative roles who may have come from, or will move on to other temporary contracts (Caves, 2000). This new Hollywood structure allows for a variety of different contributors to join together on projects, and thus multiply their creative options from across the spectrum. Because the one-shot film deal meant that people would continue to circulate creative ideas among one another, the overarching goal was much more focused, allowing an outcome that is more likely to be creatively unique. Though efficiency was the compromise, in its foundation, flexible specialization gave way to more diverse avenues of movie production. Caves’ (2000) research is devoted primarily to the economic behavior of the creative industries, including Hollywood, categorized as a complex creative good.

Marketing Tactics and Analysis

Because creativity is the product for sale, the shift to flexible specialization becomes relevant to the topic at hand. However, Caves’ research is from a strictly business perspective, and the analysis is limited to the contractual nature and integration of this area of creative interest. Caves defines how Hollywood deals (or should deal) with its product to meet consumer demand. Additionally, Caves’
explanation of flexible specialization offers the possibility of creative freedom, but
creative patterns continue to emerge. Aside from social and ideological boundaries
firmly in place within the Hollywood marketplace, there are economic barriers that
courage the emergence of such patterns.

One barrier is sponsorship. Film is not as largely targeted as a sponsored form
of media as television, for example, but nonetheless advertisers continue to buy their
way into Hollywood pictures. The convergence of Madison Avenue and Hollywood has
provoked a great deal of debate on the grounds of responsibility, tact and taste.
Branded entertainment is being integrated in all forms of media, most notably television
and film. Donaton (2004) refers to the tasteless and disrespectful use of product
placement in such shows as “The Tonight Show,” “The Restaurant,” and “The View.”
Donaton (2004) contests that poorly executed product integration is more likely to
offend consumers rather than motivate their desire to purchase products. Regardless of
its use, tasteful or otherwise, product placement empowers the endorser with creative
control in what will ultimately alter the reception of the film.

Another factor that clouds the freedom of flexible specialization is discussed
collaboratively by Lampel and Shamsie (2000). One major point explored in their study
within a hypercompetitive movie industry is the obstacles presented by consumer
uncertainty. A marketing strategy in place to curb this problem is signaling, which deals
with production value (fit and finish) aimed at increasing consumer recognition.
Signaling items include proven box office stars, state-of-the-art special effects,
elaborate sets or costuming, or other factors that attempt to make the film stand out to
consumers (Lampel & Shamsie, 2000) An alternative method for attracting viewers, is
persuasion, which relies on promotion tools intended to influence the choices of the consumers (Lampel & Shamsie, 2000). It is the former that is most relevant to the topic at hand, as it deals directly with investments within the production process. Signaling is not a new marketing strategy, and is not limited to the film industry. Increasing production value has always been a common marketing strategy, but in the case of Hollywood film, it is increasing restricted by strategies of persuasion. The underinvestment in signaling is often due to its lack of reliability, or its inability to be measured. Hollywood is mainly concerned with the congestion in the market, thus more money is utilized in decreasing the amount of uncertainty in consumer selection via advertising tools (Lampel & Shamsie, 2000). In turn, the production value, which can be associated with opinions of quality, suffers financially in the increasing competing budgets determined by the studios for promotional spending.

Vogel (1998) deals with financial analysis of the industry and also pulls apart the foundations of Hollywood from a historical and progressive economic perspective. Vogel attempts to associate financial success with specific areas of improvement or change in the movie-making and distribution process. Indirectly, Vogel’s categorizations of the major forces that are controlling the composition of the movie industry are of particular relevance. These forces include technological advances, the growing amount of money needed to launch motion-picture projects, the separation of distribution from exhibition that took place in 1948, the emergence of multiplex cinema chains, and the changing and growing trends in independent production and service organizations (1998). All of these factors have a key role in this study.
Contracts and Negotiation

To improve production value, signaling expenses should not be the only concern. “Quality” stems from selective creativity in its orientation, cinematically speaking, and it is in this area that the creative aspects of this topic are explored on a human level. Research done by Elsbach and Kramer (2003) explores the social judgment process that Hollywood executives use for creative assessment during “pitch” meetings with screenwriters. This suggests a somewhat standardized form of creativity specific to the needs of the reviewer, and therefore is a subjective process. Elsbach and Kramer (2003) deal with this subjective process, and how to obtain a creative analysis in a real-world setting. The study exposes the relationship between creativity and subjectivity, and suggests that Hollywood’s success can be maximized through the subjective process of social judgment.

Another factor that affects production value is the signing of talent and contractual negotiations as a whole. This area of filmmaking is explored in reference to Hollywood’s accounting practice (Daniels, Leedy & Sills, 1998). Though their research is primarily focused on defining terms and explaining their relevance in contract negotiation, the information allows for a better understanding of how Hollywood pushes the working balance of minimal spending and maximized profits in its pursuit of a mainstream economy.

Talent negotiations have been suggested to correlate to financial success of Hollywood pictures in much of the previous research. Albert (1998) focuses a great deal on motion-picture stars, and their impact on the economic survival of a motion picture. Theoretically, Albert (1998) works from two perspectives on the subject. One
perspective comes from the successes and failures of similar film productions in the past, in which consumer film choice is supremely influenced by a negative or positive reaction to their previous experiences from comparable movies. This theoretical perspective dictates film distribution by type. The second perspective is based on the star within a given motion-picture, in which the star acts as an indicator of successful film types. This theory is actually an extension of the former, in that the star actor is actually tied to the movie type. Specifically, type-casting is often a result of the association of stars with movie types, but more so type is influenced not just by genre, but also by the compatibility a star might have with both the movie, and the audience. While the term “film type” is vaguely defined by Albert (1999) on a broad spectrum including genre, period, theme, and/or star, the data is useful, and in its application it allows for a measurement of a film’s financial success as determined by star or star type.

The effects of this application are generally unknown outside of financial measurement, and therefore this research needs to be further explored under the provisions of cultural studies. Its inclusion in this particular study will potentially open these doors en route to understanding how the creative accountability of film stars impact production quality and financial restraint within Hollywood’s unique economic structure.

Film talent affects production quality and value in any picture, but this rule is not exclusive to stars. To explore the importance of the worker, several industry resources are required. Fitzsimmons (1997) offers an informed starting point in offering an in-depth look at the vast arena of jobs in Hollywood. As opposed to a rundown of the
available starter jobs, Fitzsimmons provides a dissection of how specific jobs are
defined in reference to their overall contribution to the creative project at hand, but also
how to deal with the producers, directors, actors, etc.

Another helpful resource from within the Hollywood industry is from Scheer
(2002). Sheer’s work deals with the portrayal of the workers as they appear imbedded
in Hollywood pictures. In other words, Scheer is devoted to the analysis of films that
depict workers in career positions mentioned by Fitzsimmons, and the research is
based on how these illustrations compare to the reality of Hollywood employment.

Much of the previous research is based on several factors that contribute to the
relationship between creativity and business in Hollywood, but very little research
applies directly. This study will utilize four films as cases to help answer the following
research questions:

RQ1: How do budget restrictions affect financial success in Hollywood motion pictures?
RQ2: What effect does creativity have on a film’s financial success?
CHAPTER 3
METHODOLOGY

The study will be organized into the three major areas of Hollywood feature filmmaking and marketing. Each of these categories will be analyzed within the framework of the theories of production of culture and several films will be used to illustrate how these theories interact. The first category, pre-production, will deal primarily with the screenplay and talent negotiations, as these factors are most vulnerable to financial flexibility or restriction.

The second category, production, will deal with the screenplay as it changes hands, and the overall vision of the film product as it is molded by the creative and financial moderators. Specifically, directing and producing, as well as tangible and intangible obstacles during production will be the focus of this portion of the study.

The third category, post-production, will deal with editing and marketing, and the various sub-stages of each. Some factors that will be classified within the editing stage are audio or visual material that is required or desired in addition to the production’s existing footage, such as music or archival footage. Marketing will be discussed throughout the study, as it is intermingled within all stages of production. However, under the post-production stage of filmmaking marketing will be discussed specifically as it applies to the films selected in the study.

In order to apply theories of the production of culture to the three stages of filmmaking and marketing, it is necessary to look at films within the context of their design by various creative participants. Using Williams’ (1982) fundamental theories of
the production of culture as they apply to this study, manufactured elements stemming from the cultural industries are encoded with social reflection. Film, or any form of product made by these industries, must be considered in its relation to the surrounding society, and its interpretation must be bound to the characteristics within that society that influenced its creation (Williams, 1982). Furthermore, culture can only be analyzed in relation to the whole; that is all existing elements within a given society are directly related to the outcome of a production under that society (Turner, 1990). Therefore, in the cases to be presented here, the term ‘participants’ is not limited to the filmmakers, but extends to any influences on the filmmakers and financiers. This group of creative participants, whose influences in some way affect various aspects of the creative product, is referred to by Litman (1998) as the “creative sphere.” To develop the influences within the creative sphere during the pre-production stages of film, several documented cases should be considered to help us understand the extent of these effects.

To demonstrate the financial and creative conflicts that arise during the three stages of filmmaking, several films will be examined in regard to the main factors mentioned above. By using a case study approach, theories of the production of culture can be understood as they exist within documented cases of Hollywood film production. Within each case, the application of these theories can offer a better understanding of how a film’s budget influences the final creative product in very specific aspects of each production. To present this method as one that is relatively applicable within the Hollywood industry as a whole, the stages of production that will be analyzed are based on common sub-stages that take place within the Hollywood production model.
The films selected for this study are *The Bonfire of the Vanities* (1990), *The Blair Witch Project* (1999), and the three films made by Project Greenlight. Although many other films may be suitable cases for the current study, these films have been selected for several reasons. The primary reason these films have been chosen is that their production and marketing processes are well-documented. Other reasons for their selection are based on their individual relevance to the factors addressed within the three stages of filmmaking.

*The Bonfire of the Vanities* is significant for a number of reasons, but primarily because it was projected to be a blockbuster for its time period, but its excessive budget did not translate into box office success. The film showed a tremendous loss, and has become a historic case of how large budget Hollywood films can flop, even under the reigns of filmmakers and actors who have proven box office success in the past. The production stages of the film are well documented, and its contributions are particularly relevant in story adaptation and location shooting. Because it was largely publicized and maintained the major components of a typically successful Hollywood production model, the film’s ultimate failure sparked a great deal of research on the production stages of the film. As a representation of previously reliable Hollywood model for success, the film speaks volumes about the implications of the production of culture, and the many influences that can hinder its development. Specifically, *The Bonfire of the Vanities* will be studied in relation to story adaptation, location shooting and marketing strategies. Each of these sub-stages illustrate key areas of probable failure for this film, and as primary phases within the Hollywood production model, they can offer a better understanding of how the creative product is influenced by these areas.
The Blair Witch Project is particularly important to the current study, because it represents a production made outside the confines of what will be discussed as the elite Hollywood circle. The independent qualities found in The Blair Witch Project make it relevant in two areas. First, it is important to understand how Hollywood worked with, and learned from the highly successful, low budget film which was taken under the wing of a major Hollywood distributor. Second, the film’s marketing strategies eclipsed anything ever done before. The power of mass communication, and the obsession with a blurred understanding of fact and fiction brought to the surface a new audience that was previously unknown to Hollywood. These aspects of this “outsider” film will be applied in contrast to the traditional Hollywood production and marketing models.

The films made by Project Greenlight, and the documentary of the same title, have been selected because, as a whole, they provide a back-stage pass for audiences as a form of marketing. Project Greenlight is named after the organization that offers a filmmaking opportunity of $1 million funded by Miramax to screenwriters and directors based on their submitted work. Project Greenlight documents the filmmaking process from beginning to end, with a focus on the directors, producers and screenwriters. The three films that have been made by Project Greenlight will be referred to by order of production, as their relevance is based on their overall progression in investor and creative personnel relations. The Project Greenlight series of films will be used to demonstrate specific changes in studio and creative management within each production, as compared to one another. The films of Project Greenlight are:

Project Greenlight Season 1- Stolen Summer (2002)

Project Greenlight Season 2- The Battle of Shaker Heights (2003)
For the current study, the films of *Project Greenlight* will be analyzed in relation to financial issues that influence the creative sphere, such as creative conflicts between financers and primary creative participants. This relationship takes place within various sub-stages throughout the entire filmmaking process, but for the current study it will be restricted to the most universal phases of Hollywood film production. Primarily, the study will focus on marketing tactics used in *Project Greenlight*, the role of screenwriter/director, and the impact of the financer as a creative participant.
Because a story must essentially be surrendered by its original author in order to become a motion picture, there is often a great deal of controversy surrounding this aspect of film adaptation. Many writers prefer to adapt their own copyrighted story for the screen, but in most cases the transition between the original story and its screenplay is based on an option contract (Caves, 2000). An option contract typically involves periodic payments of around 10 percent of the total cost of the rights to the story (Caves, 2000). In this process, a screenwriter, chosen by the financer, gains full access to the story, but in most cases must submit portions of the screenplay to the financer for approval, as it is being created. This suggests a great deal of compromise in the creation of a screenplay, as its financer has the ultimate say on its final draft. The screenwriter cannot, by right, decide when the script is finished, and further is subject to replacement if the financer is not satisfied with the progression of the creative product (Caves, 2000).

This process removes the power from the primary creative participant in this stage of film production and the motivating factors in creating a “good” script become based on meeting or exceeding the demands of the financer. In this situation, the creative atmosphere is overshadowed by the motivation of multiple creative participants with separate and unequal authority, and each with a detached and restricted influence.
on the story. This process inevitably leads to an escalated risk in the film’s potential financial success by limiting, or forcing new directions for outcome (Caves, 2000). Despite the inevitable risks, the process of rewriting a story from a culture outside of Hollywood remains the most popular. In many cases, studios have found that working with an original writer often creates an obstacle for filmmakers, as many changes that better suit the budget and/or camera do not always coincide with the priorities of the original creator. Therefore, most Hollywood film productions deliberately exclude the original writer. The process of hiring a screenwriter who is detached from the original story, and is under the order of the studio, has generally proven to be more financially viable than making expensive compromises with an otherwise empowered original writer.

The Ten-Ton Turkey

Though every film has its own circumstance, and with each production comes a great deal of obstacles never encountered before, some patterns have occurred to help us understand how Hollywood has evolved in order to minimize financial risk. But what makes a movie a hit? Screenwriter William Goldman attributed the successes of any film to what has become the first rule of Hollywood; “nobody knows anything” (Surowiecki, 2003). However, according to Caves (2000), there is at least a formulaic reasoning for how to make a failure, or what has come to be known as the Ten-Ton Turkey. The Ten-Ton Turkey is often defined by Warner Brothers’ 1990 release The Bonfire of the Vanities, which brought in a devastating $15.5 million in total U.S. gross while costing the studio more than $47 million in production costs (Nash, 2005).
The problems encountered were fundamental, and the flawed strategies only cultivated these problems. In pre-production the screenplay for *The Bonfire of the Vanities* was under tremendous scrutiny, and the director worked directly with the screenwriter to adapt an outsider novel into a relatable Hollywood blockbuster (Salamon, 1991). Unfortunately, the main problem, according to Caves (2000), was the novel’s equal distribution of disdain for all of the characters and groups represented in the picture. This becomes a problem immediately within the Hollywood narrative, which exists based on the assumption that the audience should like, or at least identify with some aspect of the film. Without much character depth to begin with, stereotyping is often the result. This problem was never resolved, and it made the film difficult for audiences to accept and identify with (Caves, 2000). The final script was a collaborative effort, as are most Hollywood scripts today, and this should be noted in regards to the founding theory. In this specific film, the use of various creative participants within the creative sphere did not increase the film’s chances of success. It is in this respect that screenwriting has been most scrutinized and made vulnerable. The Hollywood narrative structure that has proven most financially viable today is marked by a fundamental requirement for audience identification that is all too often absent from the original story.

In addition to the unavoidable problems with the screenplay, *The Bonfire of the Vanities* was an option contract, which exists as part of Caves’ (2000) formula for a Ten-Ton Turkey. The process involves a sequence of creative inputs, not necessarily working together. The concern lies within a step-by-step process, with no aspects of each step focused on the final creative product. As Caves (2000) suggests, each step
of this process is revealed gradually throughout its production, and while it may be monitored by the creators, the outcome cannot be realized until the production is finalized. Within the option contract framework, flexible specialization is maximized, but the component workers are not necessarily working collectively.

Since the option contract involves a step-by-step production utilizing a complex combination of creative participants, the responsibilities of each contributor are vast. Typically, the option contract requires review from investors and creators between each step in order to decide whether the project is worth continuation. This factor introduces another creative restructuring within the option contract arrangement. Following the production of culture perspective proposed by Williams (1982), and cultivated for the film medium by Crane (1992), the option contract presents an unavoidable creative obstacle. As the participants within the creative sphere are empowered individually and as a team to produce a creative product, their decisions affect the overall outcome of the picture. In an option contract the bad (or good) news about the projected success of the picture will have some affect on their continuing work. This factor only increases the variance of outcomes for the picture, and therefore increases its risk of failure (Caves, 2000). In this film, when The Bonfire of the Vanities began to spiral out of budgetary control, Warner executives took control and made few compromises to remain under a total cost of $75 million. Caves (2000) suggests that the studio’s interventions did not affect the perceived quality of the film, despite revisions that moved half of the location shooting onto the Warner lot and cut the shooting schedule down significantly.
Though the production of *The Bonfire of the Vanities* failed by design, it is fair to say that most of its obstacles might have been overcome if it had a more workable script. Despite the challenges put forth by the option contract and rushed production, *The Bonfire of the Vanities* had star power, a relatively flexible budget, nationwide distribution and widespread Christmas marketing in its corner. These factors combine for what studios have hoped to be the blockbuster formula. The idea that a movie can be successful if it has a large enough marketing push is encouraged by what economists call a “non-informative information cascade,” which is based on the notion that people would go to a certain movie because everyone else was going (Surowiecki, 2003). Seemingly, these components should ensure financial success at the box office, but as this study will later address, these factors are not reliable, nor are they independent of a workable screenplay. In this case the creators and actors weren’t able to translate the novel into a successful piece of entertainment. Had they done so, it could have at least achieved financial success regardless of critical acclaim.

The step-by-step process that took place during the pre-production stages of *The Bonfire of the Vanities* does not relate to all option contracts to date. In fact, there was no definitive plan or budget set for the picture, which caused countless short notice improvisations and squandered funds in efforts to frantically meet the Christmas release date. Because of this situation, and others like it, budgetary control has been revised many times over. From a business perspective, the compromise lies in extravagance, and production components with price tags. In this respect, it is manageable for executives to make cuts on scenery, costumes, film stock and even talent. However, quality does not come with a clear price tag, and as Caves (2000) reiterates, the
creative industry is bound by the “nobody knows” success plan. Therefore, the problem continues to exist as studios work diligently to project a film’s budget in a manner that best empowers the creators while monitoring the financial necessity of every aspect of the production.

The box office failures of *The Bonfire of the Vanities* provide us with a key component to a film’s financial success. Though *The Bonfire of the Vanities* contained many of the components often thought essential to ensure a successful Hollywood film, they failed on various levels. DeVany and Walls (1996) maintain there is no known combination of star, story, marketing, distribution, etc. that has been proven to ensure a hit (Albert, 1998), but a workable script represents the foundation of most successful Hollywood motion pictures. Although workable is an indefinite term, it is used here to represent a script that has a focus on situations or characters a mainstream audience can identify with in some way, regardless of its perception of being “good” or “bad.” To understand viewer identification in relation to cultural products, there has been a great deal of research on audiences, and what factors appeal to them within media content.

For the purposes of this study, it is important to note the uses and gratifications approach to mass media, which deals with, among other things, the priorities of an active audience and how movie selection and processing is calculated by individuals (Blumler & Katz 1974). Studies in this area led to several key assumptions, which in essence presume that audiences interact with and use movies to seek gratifications specific to their diverse personal needs (Blumler & Katz 1974). The current study analyzes screenplays and stories with the uses and gratifications model in mind. The “workability” of a story and screenplay will refer to the extent of which it appeals to the
main cultural interests of a mainstream audience. In its simplest form, a workable script demonstrates itself by attracting the widest audience beyond opening weekend, independent of critical acclaim.

Box office failure attributed to *The Bonfire of the Vanities* suggests in part that the unavoidable problems stem from a script unrelateable to its projected audience. The option contract implemented for this film proves risky when applied to fundamental theories of the production of culture, but the option contract continues to be used throughout the industry and is not always the root of failure. However, within the confines of the production of culture perspective, at best the option contract increases the possibilities of outcome, for better or worse. Furthermore it is important to consider the composition of the industry in order to understand the boundaries for each and every picture generated within the Hollywood system. As Crane (1992) points out, the industry makes up just a small portion of the society it strives to identify with. Not only is Hollywood itself a relatively isolated area, but the creative participants utilized throughout the industry maintain a small, elite\(^1\) ring whose members work in a circular fashion within the parameters of the Hollywood film society (Faulkner, 1983). Different creative minds are combined and scattered as explained by Caves’ (2000) flexible specialization model, but the circular fashion of the Hollywood ring excludes members of the exterior culture to which it is targeting.

Though Hollywood remains relatively isolated today, a small percentage of films are independently made outside of the Hollywood circle while being funded and distributed by major studios within the industry. This trend remains popular, but has

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\(^1\) The meaning of the term “elite” has evolved significantly since its use by Crane. For the purposes of this study the term “elite” refers to what Faulkner defines as a small, relatively closed inner circle, whose members work over and over again within the industry.
waned since the rather chaotic years following the breakdown of the studio system. Since the introduction of television and the continuing evolution of other forms of competing media, audience fragmentation has become a primary concern in Hollywood. In addition, rapid shifts in the goals and ideals of the exterior culture have demonstrated Hollywood’s isolation, and the results have shown a periodic disconnect between audiences and Hollywood productions (Crane, 1992). This disconnect took place most notably in the 1960s, and the studios turned to independent film companies to produce films that they financed and distributed (Crane, 1992). The most diverse opportunities for outside ideas came about during this time period, but as Hollywood began to get a new feel for its audience, the need for independent ideas declined. For Hollywood, the problem is inherent. As audiences change, Hollywood must learn to change as well, but it remains difficult for the industry to do so while excluding members of the exterior society from the production process. Instead, market data remains the primary guide for audience identification, and the overdependence on exterior market research can partially account for the periodic separation between Hollywood and the exterior culture. This problematic inconsistency exists fundamentally within the Hollywood system, and remains an overarching point of emphasis while conducting an analysis from the production of culture perspective.

The Power of Exterior Influences

Considering the inherent limitations within the isolation of the Hollywood industry, it is important to look at a film that was made outside of the Hollywood circle, but was embraced and marketed by a major Hollywood studio in order to achieve Hollywood-level distribution. The Blair Witch Project utilized a convoluted yet minimalist approach
to tell a story which otherwise may not have been successful. The film captivated audiences on a measly $35,000 budget and grossed more than $140 million at the U.S. box office (Nash, 2005).

The film’s success can be attributed to several factors. Primarily, the foundation of the film was a workable screenplay, which involved a fictional ghost story unresolved, but more importantly, *The Blair Witch Project* made audiences believe in it. For a film such as this, it is difficult to dissect its different stages of production, as the crucial stages- screenwriting and marketing- are one and the same. The Internet campaign for *The Blair Witch Project* has been argued by Telotte (2001) to extend beyond the boundaries of a marketing tool, but rather as part of the story itself. The film’s promotional website introduced visitors to a complex piece of history that was not identified as fact or fiction. The marketing tactics, in brief, convinced potential audience members of the stories’ validity through the introduction of a supposed real-life legend, validated by various levels of misinformation provided on the Internet. The film’s website featured news-reel style interviews, missing persons photos, and police reports that created a vivid and complex background (Ansen, 1999). The website created a buzz that was unprecedented, and the audience remained confused about the validity of the film, even after it had been in theaters for six months. For this film, the marketing was part of the story, which included a fictional background story that created an audience long before the film was released.

The workability of the script is best illustrated by its connection with the audience beyond the theater, and in this case that connection was the blurring of fact and fiction. A recent study, focusing on *The Blair Witch Project*, offers an analysis of the reception
of a media product exceeding the conventional boundaries between "fact" and "fiction" (Schreier, 2004). The study involved random sampling of emails from Internet newsgroup discussions on the film written within six months after the film’s release. The study found that 38% of the emails involved a question regarding the reality of the original story, while 40% were unsure at some point whether the film itself was fiction or non-fiction (Schreier, 2004). This study offers some insight into what made The Blair Witch Project so successful, and is titled after a common question found within newsgroup discussions, "Please Help Me; All I Want to Know Is: Is It Real or Not?": How Recipients View the Reality Status of The Blair Witch Project.

The film’s pull was risky, and somewhat manipulative, because the audience was led to believe the story was true. The bits and pieces of information provided for the audience kept them guessing, and more importantly, kept them talking before they had viewed the film. According to Chris Pula, Disney’s president of theatrical marketing, the extension of the story into other media allowed the film to become something else; a legend (Ansen, 1999). Audiences did not think they were viewing a movie, but a hopeful resolution to a mystery that had existed for centuries.

The financial success of such a small and unusual film emphasizes the limitations within the Hollywood circle, and offers evidence for the theories of the production of culture. The ideas within the industry are limited by the boundaries of the community, and The Blair Witch Project makes a strong argument that Hollywood is not in touch with its target audiences. This is not to say that the film would have achieved its success without mainstream distribution from Artisan Entertainment, but it is important to recognize the factors that allowed the film to survive without several key
elements that are the benchmarks of Hollywood financial success: Star power, marketing research and a large production budget. The film was forced to survive on what could be considered the essential factors in order to reach box office success: A workable script, innovative marketing and national distribution.

Behind-The-Scenes

A case that presents a similar, multi-faceted marketing campaign that blurs the line between advertising and the stages of filmmaking themselves is Project Greenlight. Project Greenlight, a reality television series currently airing its third season, is fundamentally a behind-the-scenes-documentary that follows aspiring writers and directors as they are given the opportunity to make a film in the Hollywood system. The screenplay and director(s) are chosen through a contest, and films are funded by Miramax with a relatively flexible budget of $1 million each. The first season’s film, Stolen Summer (2002), ran roughly $600,000 over budget in production costs, but flopped at the U.S. box office with a gross of just over $130,000 (Filmmaker Magazine, 2005).

Thus far, the films produced by Project Greenlight have done poorly at the box office and there has been a great deal of speculation about the show’s purpose. Seasons two and three in particular have presented the chosen screenplays as mediocre in comparison to other choices. Many critics accuse the show of being the studio’s priority rather than the film production itself, and it has been suggested that mediocre screenplays and mediocre directors have been selected as winners in order to popularize the show.
Project Greenlight is many things--a contest, an aid organization, a cause--but, most of all, it's top-notch entertainment. …Greenlight dares to show what happens when the talent (or lack of it) hits the fan. …Whether the Greenlight gang intentionally gambled on the dark horses in the hopes of winding up with a more compelling TV show, we'll never know. But as interesting and informative as it would have been to watch a levelheaded and talented filmmaker tackle his or her first studio project, it would pale in comparison to Efram and Kyle's [contest winning Directors] Big Adventure. For all its benign do-goodism, Greenlight ultimately plays like a cautionary tale for aspiring players: Be careful what you wish for--Miramax just might fund it (Chocano, 2003, p. 65)

Regardless of the show's intentions, its presence makes the Project Greenlight films essential to the current study. In an effort to "document" the film process, the risk of failure is vastly multiplied. As Caves (2000) suggests in regard to the option contract, the many choices that the team of creators make depend primarily on incentive, and as Williams (1982) would add, the choices are also influenced by the circumstances of the production and surrounding society. In this case, incentives would most likely be in the form of future career opportunities for the aspiring filmmakers and the circumstance would be the television show and contest. Both appear to be motivating factors for the participants to want to achieve success, but the parameters compromise the production in many ways. One major obstacle presented for the participants within this particular creative sphere is the preset $1 million budget (though slightly negotiable).
Specific to the screenplay, the original budget is determined long before a script is chosen, thus it is immediately necessary to make revisions in order to comply with the implicit budget. In one recent episode of this season’s *Project Greenlight*, the producers of the film informed the studio that the film would require a $20 million budget in order to meet the demands of the studio’s chosen script. The studio offered around $3 million total, which forced the production team to completely overhaul the screenplay to fit the budget. Throughout the television series, Miramax has been presented as an interference for the writers and directors as they are forced to make script revisions, casting compromises, and budget cuts in order to comply with the distributing interests of the studio.

This brings us back to our base within the production of culture. As the financial interests of the studio and television show take priority, the number of creative participants within the sphere increases, and a shift in each participant’s influences takes place. With this increase comes an even wider variance of outcomes, and therefore increases the film’s chance of ultimate financial failure. Additionally, if the show does indeed take precedence over the film, then all evidence points toward expected failure under Williams’ (1982) notion of the production of culture, as well as the marketing theories set forth by Lampel and Shamsie (2000). To expand on this possibility, it is necessary to move away from the screenplay for a moment in order to view the show from a strictly marketing perspective. Including the current season, the problems that occur during the *Project Greenlight* productions have been presented on the television show as though they heavily outweigh any successes.
Whether or not the relentless failures do indeed overshadow the successes of the production is unimportant, as its effects are the same. By revealing such a substantial introduction to the product (the upcoming film), it is crucial that the product be received optimistically. Film marketing exists on the necessity of generating positive consumer awareness, which in turn generates resources (Lampel & Shamsie, 2000). To eager audiences and critics, it is difficult to see how the show’s negative focus can somehow be a positive marketing tool for the upcoming theatrical release of the film, which in the past has followed the television show’s season finale. One critic offers an interesting marketing angle for Project Greenlight to stand behind: “Fans of the show should see it to flesh out the heartache of its creation story” (Stuever, 2003, pg. C01). Since the marketing campaign is the show itself, and the show has portrayed the production process in a negative light, it is easy to understand why the first two Project Greenlight films have failed miserably at the box office.

Star Power and Budgeting

Though there remains no direct formula for predicting whether or not a film will be successful, the previous cases make a compelling argument for a good story and screenplay as the foundation. However, many industry representatives maintain that the probabilities of success are manageable (Albert, 1998). One factor that is analyzed in regards to this theory is star power. Studios often follow the philosophy, “If you can get Harrison Ford then it is a good script, if you can’t then it’s a bad one” (Thomas, 1996, p. 18). However, there is no reliable evidence to suggest that any star guarantees financial success. Previous research by Litman (1998) found no significant relation between the casting of superstar actors and box office success, and studies by
Miller and Shamsie (1996) and Austin (1989) have all found similar results (Albert, 1998). There is one aspect of star power that has been researched by Prag and Casavant (1994) to reveal a positive correlation to box office success, which deals with the actor as a form of advertising when no other advertising is present (Albert, 1998). Though data collected in the past has revealed a great deal about star power and audience identification, the connection between stars and box office success remains elusive. However, despite a significant amount of research against it, star power remains a priority within the Hollywood industry.

The Effects of The Hollywood Circle

Perhaps the constant reliance on star power can be explained within the boundaries of pre-production, in which casting demonstrates itself to be a crucial factor in estimating the probabilities of success (Albert, 1998). Specifically, actors are defined by their previous work, and studio executives and producers tend to follow these trends in casting decisions. Star success is measurable and traceable, and within such an amorphous and erratic industry such as Hollywood, the minimal reliability of star power grants it a great deal of credence. In casting a star with a previously high success rate, the variance of outcomes is theoretically minimized, as the star represents what could be perceived as a constant variable in a questionable (but common) formula for success. In short, stars can be used as markers to track the distribution of financially successful films, and their record often influences the confidence of their future projects (Albert, 1999). Though the restrictions in innovation are demonstrated by the repeated use of previously successful stars, casting a star offers some positive influences for those within the creative sphere as well. Specifically, a previously successful box office
star can give confidence to the financers based on the rationale above, and with
certainty comes money (Albert, 1999). The increase in funds can potentially
empower and strengthen the abilities of the creative participants in their production, but
a fundamental flaw is the catalyst.

When returning to application of theories of the production of culture, the cyclical
use of stars calls attention to the effects the isolation of the Hollywood industry has on
its product. Applying Crane’s (1992) research to star power, the problem becomes
apparent. Because the industry makes up just a small portion of the society it strives to
identify with, the limited results become unreliable. From a business standpoint, limited
results are acceptable in Hollywood, as they avoid the potential risks associated with a
film created by untested variables. However, as different creative minds continue to
circulate under the provisions of the flexible specialization model, the creative
combinations diminish (Caves, 2000). These trends are apparent in Hollywood, and as
the limitations increase, audience separation becomes inevitable.

The Hollywood Model

Though most Hollywood products reflect an over-extension of the community
circle and the limited creative inputs among the participants, it is easy to see why
Hollywood maintains its formula. Litman (1998) draws a comparison to building a
skyscraper, for which costs are similar to that of the average Hollywood film, and having
to tear it down because nobody likes it. The process of building a movie is comparably
extensive, often taking several years to realize the final film, and as this study has
established, the Hollywood industry is marked by a high rate of product failure (Litman,
1998). As a result, when the industry finds a formula that makes money, it becomes a

Though the use of previously successful stars is as reliable a factor as possible for Hollywood studios to gauge projected financial success, it is limited in its practice. Many analysts in this field conclude that an attempt to predict audience trends behavior is futile, and thus constructing a film based on audience analysis is the wrong approach (Litman, 1998). Audiences are constantly changing, and have highly variable preferences based on social and psychological conditions- conditions from which Hollywood is excluded. It is clear that audience separation is inevitable due to the limitations of an isolated Hollywood circle, and unless the boundaries of the industry can be expanded to allow a wider circulation of creative participants, the results will remain the same.

Within the stages of pre-production, the findings suggest an emergence of a power dynamic that offers creative control to the investor and excludes entry to members of the exterior society. By incorporating known factors that have previously demonstrated box office success, investors exhibit a significant influence on the creative outcome of the product. Further, each stage of production alludes to a shift in creative authority, as the change between each stage of Hollywood filmmaking is marked by a transfer of creative control between members of the production team, as well as investors. This shift can be seen throughout the filmmaking process, and represents a primary compromise of creative influence within the Hollywood model.
To further discuss the vast influences of the creative participants of a motion picture during the shooting stages of a film, it is important to understand the circumstances surrounding film production itself. When studying the interior pieces of Hollywood film production within the parameters of the production of culture, it immediately becomes apparent that circumstances vary greatly between films. More so, reliable documentation is often difficult to find. In order to dissect and analyze Hollywood production on a large scale, it is most relevant to determine what standards and procedures exist within the system, and how their execution influences a film’s creative sphere throughout the shooting process.

After a film has moved beyond the stages of pre-production, and talent has been negotiated and budgets established, the original story is relinquished from its creator to the hired talent. As discussed in the previous chapter, the original creator is often disenfranchised from the story as it is acquired for film adaptation. From a cultural production perspective, this area of film production is at best obscure, and within the Hollywood model, it is most common for the original writer to surrender (either on option contract or through the sale of rights) the role of creator and allow the story to be modified by a group of new authors; a screenwriter, producer, director and crew (Caves, 2000). It is important to remember, however, that the inclusion of new creative participants does not necessarily translate directly to the film’s chances of financial success or failure, but the perpetuation of the limited ideas found within the Hollywood
circle remains a concern. Returning to research done by Caves (2000), the additional influences can only multiply the variance of outcomes for a film, and it is important to consider one key influence- the incentives for the creative participants- as a risky variable within the Hollywood model.

The Writer/Filmmaker

To better understand the creative advantages and financial disadvantages of hiring the original story writer as the screenwriter and/or director of the film, it becomes evident that several creative boundaries are blurred when the writer is given an additional role. Returning to the arguments made in the previous chapter, as far as Hollywood has been concerned in the past, these boundaries are best left uncrossed. Historically, Hollywood studios have proven they much prefer to spend a larger sum of money on the rights to a story and employing and empowering one or more in-house screenwriters willing to cater to the interests of the studio. In this process, the original story is introduced to a new creator, and in this shift the story becomes subject to the influences and interests of the new creative sphere.

Because creative participants within the Hollywood industry remain relatively isolated from the culture the product is targeting, this common shift in “creator” leads back to the empowerment of what Crane (1992) calls the small, elite circle that is Hollywood. According to Hesmondhalgh (2002), this shift takes place in the interests of the studio’s “creative manager,” or an intermediary between the creative and commercial interests of a creative product. The creative manager in Hollywood would assume the role of a supervisor, such as an executive producer, ensuring the interests of the studio are being met throughout the production process. In this setting the
financer is able to exert control upon the creative sphere while maintaining the use of creative participants under an “independent” production company (Hesmondhalgh 2002). This situation is ideal for Hollywood studios because it allows the financers to exert more control on distribution and marketing, while managing the production process from afar. This perceived separation between the studio and production team is in response to what Hesmondhalgh (2002, p. 22) calls an “ingrained suspicion of bureaucratic control” in audiences/consumers of cultural products. According to this argument, audiences and creative participants offer resistance to creative products that are created by an establishment based on long-standing cultural assumptions of creative autonomy and traditions of free speech (Hesmondhalgh, 2002). This theory of an inherently suspicious audience suggests film productions in Hollywood must represent a perceived separation from their financial ties.

However, such a dichotomy relies heavily on personal ties between members of the creative sphere and the investor in order to minimize risks associated with creative management. Creative participants are relied upon heavily by the investor, and in order to maintain control the creative manager must have a working relationship within the creative sphere. These supervising positions are integrated as part of the production process, and work to enforce the perpetuation of Hollywood narratives and themes (Crane, 2002). In their application they present a measurable factor that accounts for the periodic detachment from the targeted exterior society.
Despite its heavy amount of publicity, the films produced by Project Greenlight have only proven to be reliable failures. From its beginning, Project Greenlight has stated its mission to be one of empowerment for first-time filmmakers and writers, which originally meant selecting a screenplay from thousands of contest entries, and allowing the original writer to adapt and direct the original screenplay.

In its first season, various representatives of the studio acknowledged that the winning writer was a major liability for two reasons. The first liability, which was no doubt accounted for, was that the contest winner had never before directed a film. The second factor that proved the endeavor risky was the fact that the contest winner was not willing to serve the interests of the studio at the expense of the original story. This is a common problem when the original story writer is empowered as the screenwriter and director, but in this case it was most likely an oversight by the studio, as an outsider invited into the Hollywood circle would possibly be easily controlled. The studio spent a great deal of time urging the director to make several key script revisions which clashed with the interests of the studio. The producers also urged the writer/director to compromise on the timeframe and location of the picture, which took place in Chicago in the 1970s. Though location shooting will be discussed in great detail later in this chapter, it is important to note that because of the expensive complications that came from the Chicago shoot, revisions were made for the subsequent Project Greenlight films to shoot exclusively in Los Angeles. The timeframe and location factor has also played a role in which screenplay would be chosen as the winner in the successive Project Greenlight contests.
For the current argument, it is necessary to focus on the changes that took place regarding the status of “creator” under the provisions of Project Greenlight, as the dual role of original writer and director was an obstacle the studio was not prepared to deal with. During the shoot of the first Project Greenlight film, the director resisted making changes to the story in response to the limited budget, but instead made compromises within production itself. For example, the studio strenuously pushed for a scene to be shot in a swimming pool, as opposed to being shot in Lake Michigan as the writer intended. Though the director successfully lobbied for the Lake Michigan shoot, the money allotted for the location shoot compromised the shooting schedule. Instead of the projected 35 day shooting schedule the filmmakers proposed, the project was restricted to 25, which resulted in rushed shots, or the removal of shots from the storyboard altogether.

Compromising the amount of shots based on scheduling is often much more risky than reinventing the script itself to fit a more budget-friendly location, but this problem occurs commonly when an original creator is empowered to direct and adapt their story for a motion picture. On the other hand, when analyzed within the framework of the production of culture, the resistance of the influences of the Hollywood circle could theoretically be the ticket to success. Due to the high level of control the studios have traditionally had on the creation of cultural products in Hollywood, the diversity found within the finished products is undoubtedly low (Crane, 1992). Therefore, for a first-time filmmaker excluded from the Hollywood circle to be granted this degree of empowerment, the potential for innovative mass-audience appeal is actually quite favorable.
Due to limited release, and possibly the negative publicity created by the reality television show, the film did not receive financial success at the box office. Further, in the second and third *Project Greenlight* film productions, the separation between the original story creator and the director increased. The search for a winning screenplay and director for a second *Project Greenlight* film isolated each in their own categories. During the production of the second film, the distinction allowed for the original writer of the winning story to work alongside the winning pair of directors throughout the production, as the screenwriter. According to Chocano (2003), this change took place to distribute responsibility “more evenly.”

The new division of power allowed the original writer the ability to remain the primary creator while making the story adaptable in conjunction with the goals and ideals of the director(s) and producers. During the second production, conflicts continued to arise that created a barrier once again between the financers and the production team. The newly empowered team of creative participants- the directors and the screenwriter- were vocally opposed to creative input from Miramax, and although they frequently complained about the studio’s lack of cooperation, their demands were often granted despite studio objection (Stuever, 2003). Some of these demands were in direct opposition to the studio’s wishes, such as the directors’ refusal to work with certain actors, and their request for dismissal of members of the production team strongly recommended by the studio. The second *Project Greenlight* production more than doubled its predecessor at the box office, which translated to $280,000 set against a budget of about $1.6 million. In part, the poor return on investment can be attributed to its limited release, which was restricted to the top 10 markets (Nguyen, 2003). The
first two films made by Project Greenlight have failed to earn national theatrical release due to poor test screenings and other market research that prompted studio executives to spend less on distribution. Aside from their limited distribution, when the production atmosphere of the Project Greenlight films are considered within the framework of the production of culture, the meager box office results can partially be explained by the poor chemistry among the creative participants themselves, as well as their relationship with the studio.

For the third Project Greenlight production, the studio went one step further, separating the winning pair of screenwriters completely from the winning director. The screenwriters played only a minor role in the pre-production stages of the film, having been complemented by members of the production crew for using their winning screenplay to open doors for their future careers within the Hollywood circle. During the show, the pair of writers that wrote the winning screenplay were only called on to be given notes for script revision, but in the early stages of pre-production the two declared they were fine with any necessary changes. This relationship displaces control of the original story onto the studio, by alienating the writers from the production team, and allowing the studio to work directly with them.

Signaling

Another budgeting decision that has far-reaching effects on the shooting stages of a film is how the money is divided within the production, and which aspects of the film are considered most valuable to the studios. Lampel and Shamsie (2000) claim Hollywood studios make a choice between spending more of the allotted budget on “signaling” or “persuasion.” Signaling is the term given to the aesthetics of a film, which
essentially deals with greater attention to the production itself, and more money allotted
to signaling would ideally mean a higher quality product. Persuasion deals with
promotional tools aimed at helping consumers identify and choose a specific picture.
Persuasion is a marketing tool and will be discussed in more detail later, however
persuasion is mentioned here as it is a significant barrier that exists in direct competition
with signaling. Regardless of the size of a film’s budget, both of these aspects of
filmmaking and marketing must be funded at the expense of the other.

Because of the heavy reliance on a television program as a form of promotion for
the films made by Project Greenlight, the publicity fails on many fronts. Though Project
Greenlight has become a household name in documentary television, the necessary
audience cross-over at the theater has been deficient. This can be attributed in part to
the over dependence on the television program as a substitute for traditional marketing
techniques, but other forms of publicity for the films have been relatively unsuccessful
as well. The supposed “arty-flavored” nature of the Project Greenlight films has
restricted it from obtaining nationwide theatrical release and the production budget for
each film was conservative, but even less money was set aside for promotional
materials (Stuever, 2003). Within the boundaries of a total budget not exceeding $2
million including publicity, for both of the previous Project Greenlight productions the
studio made the decision to divide the budget in favor of production.

It is yet to be determined how successful the third film in the Project Greenlight
experiment will be at the box office, but the behind-the-scenes approach as a marketing
tool offers some insight into the theoretical model of a perfectly competitive market.
According to Lampel and Shamsie (2000), a perfectly competitive market assumes that
buyers have the same information about a product that the sellers do, thus allowing them to make the most informed selection. By allowing audiences a back-stage pass to the *Project Greenlight* productions, there has been even greater audience fragmentation. It could be argued that, given the extensive information about the films provided by the television program, audiences collectively decided against the product. Perhaps this is due to the imaging of the production process. All three film productions have been constantly undermined by the presence of cameras and manipulative editing, which, as mentioned earlier, focused heavily on the weaknesses of the productions and their crew. Regardless, the results of granting an audience a back-stage pass have proven unsuccessful as a marketing tool for the studio, and lead to the assumption that it is not in the best interests of the film industry to strive for a perfectly competitive market.

**Persuasion and Signaling; *The Blair Witch Project***

When exploring the potential benefits of persuasion in contrast to signaling, investors in Hollywood commonly choose to spend their money on persuasion techniques, as forms of signaling are subject to opinions of aesthetics (Lampel & Shamsie, 2000). The overinvestment in persuasion has brought about increased audience uncertainty, as the promotional material may successfully bring products to the attention of the target demographic, but the quality of the product remains questionable (Lampel & Shamsie, 2000). To fully capitalize on the “cost effective” marketing practice of persuasion, signaling is ideally inherent in the promotional material of a film, allowing audiences to not only recognize a product amidst a barrage of competitors, but also gain an understanding about the content of the production.
The Blair Witch Project offers a hybrid marketing tool that incorporates the benefits of signaling properties, such as the film’s independent, amateur style with persuasion tactics that relied heavily on creating audience intrigue. The use of various media incorporated what came to be The Blair Witch Project, and the film represented a chapter within an ongoing story that operated on television, radio, billboards and the Internet (Telotte, 2001). For audiences, the information appeared to make up valuable pieces to a puzzle that would be solved by the motion picture, and for the information providers, the marketing strategies allowed an increased level of audience understanding and control. The model offers the potential to achieve a perfectly competitive market, in which the audience could have received all of the information the providers had access to (Lampel & Shamsie, 2000). However, the sharing of information was not equal between the providers and the audience, and the tactics employed conceivably led audiences to the conclusion that the film would provide a resolution, which it did not. When audiences finally entered the theater, the multi-faceted legend they had found across varying channels of media had brought them there.

Such a strategy speaks volumes when analyzed from a production of culture perspective. The elaborate evolution of back-story within the various articles of persuasion had eliminated the need for traditional signaling techniques, such as star recognition, elaborate set decoration, or popular music (Ansen, 1999). Because the film did not resolve the ongoing legend of the Blair Witch, the promotional material maintained its value long after viewers had seen the film. The web-site in particular offers tools for further investigation to extend the story beyond the theater, constantly
encouraging audiences to actively identify the film (Telotte, 2001). The various
tabactive forms of publicity that exist in concurrence with *The Blair Witch Project* offer
the possibility that, when analyzing this film within the production of culture, the effects
of creative products themselves extend far beyond their original medium.

Timeframe and Location Shooting

During film production, there are a number of restricting and/or empowering
elements that cater to the demands of the story and screenplay as they evolve.
Specifically, the pre-determined budget directly affects the shooting stages of a film,
which makes it part of the influential foundation of the creative sphere. In attempting to
categorize budgetary trends which influence members of the creative sphere, several
key issues become apparent. The most obvious, and large-scale budgetary
circumstance which exists in every film is that of timeframe and location. Each film
must deal with these decisions up front, and many times an impractical or expensive
time period and/or location compromises the original story, forcing it to be reworked and
formatted to fit within an existing Hollywood agenda. Timeframe is almost always a
necessity, thus it is not under as much scrutiny as the projected location of a story.
Location shooting is often the most expensive aspect of production, but many
filmmakers argue it should not be compromised.

The New York Shoot

In 1977, only 26 film permits had been issued in New York City, but when *The
Bonfire of the Vanities* was filmed in 1989, 110 film permits had been issued by the city
(Salamon, 1991). The film was granted a permit to film on Park Avenue for around
$50,000, plus $35,000 for the apartment co-op board, plus $15,000 “out-of-pocket”
expense to cover such things as security and local contributors (Salamon, 1991). Since 1989, location shooting has steadily increased, and fortunately for filmmakers, film permits for the city have since been granted without cost. However, location filming requires a great deal of time and money for everyone involved, often doubling the cost of a production that is shot on the property of the studios. Because of the tremendous costs and increased shooting demands, compromises must be made somewhere in the budget, and it is up to the studio to determine whether or not to utilize a certain location, even if leaving it out means rewriting the story.

To discuss the impacts location shooting (or lack thereof) can have on a production, *The Bonfire of the Vanities* becomes a very relevant case. In this film the costs of the location were a major reason the budget spiraled out of control from its original $29 million to nearly $75 million, and the problems that arose on location or because of the location had a direct affect on the creative sphere.

*The Bonfire of the Vanities* required location shooting in Manhattan, an uncompromisable element which, in many ways, offered a positive influence for the creative participants. Financially the location proved disastrous and several obstacles seriously threatened the film’s ability to finish shooting, the Park Avenue and Bronx settings simply could not be excluded. “Even the most imaginative set designer wouldn’t have been able to construct a more perfect visual metaphor for the dwelling place of the Master of the Universe” (Salamon, 1991, p. 130).

Unfortunately, with this visual metaphor came a great deal of big-budget liabilities. Primarily, the day to day expenses were several thousand dollars more than they would be if filmed on a soundstage in Hollywood, and the additional add-ons to the existing
buildings cost around $30,000 (Salamon, 1991). Because of this, the creative participants were forced to make a compromise in their shot list, which called for a courtroom scene that was “the background for the most important sequence in the entire film” in Washington, Pennsylvania (Salamon, 1991, p. 181). The compromise was brought on by a studio that simply would not budge another penny, and refused to spend the $500,000 to move the production out of New York. As a result, the filmmakers were forced to move the scene out of the courtroom, which they had hired four scouts to find on a deadline under the threat of having the whole picture shut down. Though it proved a very serious compromise, the revised scene was considered (at least by the filmmakers) to be adequate.

In all, the financial expenditures became just a part of the problem of shooting in New York City. The production itself was constantly undermined by the critics within the city, including the Bronx borough president, Fernando Ferrer, who attacked the production team for perpetuating the negative images of the Bronx as a slum (Salamon, 1991). As a result, the unpopular film crew had trouble finding apartment locations to shoot indoor sequences, and the Museum of Art became increasingly less cooperative as a potential location for filming. The complications surrounding the production infiltrated the crew, headed by the director whose elevated levels of stress caused hostility on the set. Warner Brothers responded to the shooting and morale issues by sending a representative to New York with the authority to shut down the production if necessary. According to Salamon (1991, p. 164), the presence of the representative “served as a symbolic warning to the filmmakers,” and as Caves (2000) claims, these types of signals influence the creative participants and widen the variance of outcome.
Though there were a great deal of contributing factors to the financial failure of *The Bonfire of the Vanities*, the high budget and high expectations make this an interesting case. The necessity of the New York City location could prove troubling for industry analysts, as it demonstrated itself to be a major factor in the inflated budget as well as the negative publicity. From a production of culture perspective, the film’s location carried a great deal of influence on the final product, and offers further insight into the factors that can disrupt the filmmaking process and ultimately breakdown what has proven to be a very fragile and impressionable creative sphere.

The Sustained Control of the Hollywood Circle

When analyzing the interior workings of Hollywood production budgets, it becomes clear that several factors are used to maximize the control of the studios and minimize unforeseen variables. In this practice, major sacrifices in innovation and style arise, but it is difficult to find fault in the Hollywood logic. As a business, the studios must work in terms of expenses and returns and in doing so unpredictability becomes liability (Hesmondhalgh, 2002). For most motion pictures if the timeframe or location of a story is not of the utmost relevance, it is struck. The expensive and uncertain nature of these elements proves to be the prevailing argument for their modification to the norm (Crane, 1992). However as these cases have shown, when the creative sphere deems a given time and place to be crucial to a film, the studios are often willing to go the distance.

Despite the authenticity of location shooting, many films are better suited for a Hollywood soundstage. Creating a time and place on a soundstage instead of a real-life location is not only in the best interests of the studio, but can be advantageous for the
creative sphere too. The unpredictability of location shooting often impedes the production process as a whole, as seen in *The Bonfire of the Vanities* case. Additionally, real-life locations do not always read as they might have been intended in the original story.

Despite the possible advantages of soundstage shooting, it is important to take into consideration the factors that are in play throughout these transitions in terms of the production of culture. The use of each specific location, including a soundstage, has direct and indirect influences on the creative participants, which in turn are transferred into the evolving film. Whether it is financially viable or less hazardous to recreate or modify a time and place, is not relevant. According to the principles of this theory, the influences of the creative participants will have an effect on the final product, thus factors of time and place remain in constant flux and their potential impact should be considered in every film process (Crane, 1992).

The high degree of control put into practice in the Hollywood industry allows for limited growth in diversity and cultural appeal. It is important to consider the creative barriers uncovered by the performance of the current Hollywood model. Producing a creative product efficiently requires a business model, and Hollywood is no exception. The limitations put into place are calculated compromises in most cases, and though style, timeframe, and location are often the first items cut, it is in the interests of the industry that they are compromised or sacrificed altogether (Litman, 1998). In order to achieve a more innovative and culturally in-touch film industry, the creative participants must be empowered in these areas.
Financial restrictions will always be a primary contribution to the creative influences of a film, but as these cases have demonstrated, the control lies in the hands of the financer. A hands-off approach by the financer would be ideal for the creative participants, but it would likely prove disastrous for the profitability of the product. However, forcefully reinstating recycled and safe cinematic trends, models, and personnel is, from a creative perspective, the polar opposite. This standard, which is currently in place in the Hollywood circle, is far from a practical compromise. In order to break the repetitive production cycle founded and cultivated by the elite Hollywood circle, innovation from the exterior culture is essential. More specific and culturally relevant cinematic experience for audiences require better attention to stylistic items such as timeframe, location and the empowerment of the original creator. To improve the industry’s connection with its target audience, a better compromise in creative control is needed, and signaling should take precedence over persuasion without fail.

Despite evidence of increasing levels of control over the production stage in Hollywood filmmaking, marketing data presents more drastic and immediate consequences in later stages of the process. As the findings of the current chapter suggest, each stage represents a transition for members of the creative sphere in which a primary creator relinquishes authority. Within the sub-stages of post-production this transition becomes most evident, but the stakes are far greater. Upon completion of the shooting stages of a film, the investor is able to exhibit further control over the working product, as the results become viewable and market data can be applied to decide the ultimate fate of the product.
Though studio control remains constant throughout the various stages of Hollywood filmmaking, the level of power exerted by the creative manager during the stages of post-production are typically the most rigorous. Within the stages of post-production most aspects of control shift dramatically from the production team to the financer. The continual enforcement of the studios interest can be further represented by utilizing marketing consultation to determine how the film may achieve “success” (Hesmondhalgh, 2002). According to Vogel (1998, p. 36), the evolution of the movie industry is based on five elements:

1) Technological advances in the filmmaking process itself, in marketing and sampling methods, and in the development of television, cable, satellites, video recorders, computers, laser discs [and DVDs]
2) The need for ever-larger pools of capital in order to launch motion picture-projects
3) The 1948 consent decree separating distribution from exhibition
4) The emergence of large multiplex theater chains in new suburban locations
5) The constant evolution and growth of independent production and service organization
The advances in technology are considered the most potent tools of change in the industry, and the developments have empowered studios with complex sampling techniques and forecasting models to closely estimate audience responsiveness to various forms of promotion, as well as the product itself (Vogel, 1998). The call for such innovation in marketing comes as a result of a shift in the creative industries that took place in the 1970s, at which point the Hollywood studios began to push for more methods of market research to minimize financial risk (Hesmondhalgh, 2002). Since then, this process has steadily increased in an effort to maximize audience identification with aspects of marketing such as design, packaging, advertising and publicity (Hesmondhalgh, 2002).

The abundance of market research today has offered investors within the cultural industries a better understanding of how to present their product. However, according to Hesmondhalgh (2002), the increased use of marketing research as an influential factor within the production of culture potentially undermines the separation between the investor and the creative sphere. As this division narrows, more and more creative participation comes from the financer, whose authority extends beyond that of the members of the production team. This shift limits the control of the production team within the creative sphere, which through this process is extended to embody the studio. Further, this transition displaces funds away from aspects of signaling to those of persuasion.
Implications of Marketing Research and Persuasion Strategies

According to Lampel and Shamsie (2000), the main challenges faced by Hollywood studios are based on a careful balance between funds devoted to signaling and persuasion. When favoring persuasion, investors deal with the dangers of creating momentum for a theatrical release of a given motion-picture while failing to offer an identifiable factor within the production itself. Signaling factors that may have increased audience recognition, such as the use of state-of-the-art special effects, or paying large sums of money to adapt a popular book may be sacrificed in favor of a television ad campaign or initial sales responses to generate consumer recognition, for example (Lampel & Shamsie, 2000). Recently, the average cost of producing a major motion picture exceeds $35 million, with an additional $16 million devoted to marketing and promotional expenses (Litman, 1998). These numbers are steadily increasing, and though production costs continue to exceed the cost of promotional materials, in practice persuasion accounts for more resources than signaling. This Hollywood trend accounts for the belief that investments in persuasion are more cost effective than investments in signaling (Lampel & Shamsie, 2000).

Because the degree of “quality” is difficult to ascertain, the underinvestment in production value is justified, based on the demands of a “hypercompetitive” industry with limited product longevity and a high turnover rate (D’Aveni, 1994). However, according to Wyatt (1994, p. 59), this results in a lack of innovation in Hollywood products, as innovation reflects the unknown, which “is hard for market research to clue in on.” Although innovative products offer the potential to stand out when marketed, the results of marketing research present the successes of the past as applicable formulaic
evidence, which demonstrates a tendency in marketing to “embrace the familiar” (Hesmondhalgh, 2002, p. 159). Though directing funds toward signaling strategies offers more freedom for the creative participants, signaling factors, such as hiring talent with proven box office success reflect the conventionality of the Hollywood marketing strategy.

Additionally, the use of test screenings as a form of market research further blurs the boundaries between the creative sphere and the investors. Test screenings are intended to gauge viewer recognition and response, and questionnaires are typically used to allow audiences the opportunity to suggest changes (Hesmondhalgh, 2000). This compromises the creative control of the production team even more, and though the studios often demand changes based on the results of test screenings, there is no evidence to suggest these results will improve a film’s chances of success. Audience preferences are claimed to be highly variable, and many industry professionals argue that the attempt to predict audience behavior or reaction is futile (Litman, 1998). According to Hesmondhalgh (2000), many successful films test poorly, such as *The Blair Witch Project*, but go on to achieve financial success.

**High Persuasion High Innovation**

The extremely low budget and exceptional profits of *The Blair Witch Project* have been discussed at great length throughout the study, and within the all-encompassing legend of The Blair Witch the film challenged Hollywood’s traditional marketing and research strategies. The film’s home-movie style and low budget look has opened doors to opportunity in independent filmmaking, but the doors to Hollywood remain closed. Though happy to market and distribute such a film to the mainstream, the
innovative techniques adapted by Hollywood are based on the marketing campaign of *The Blair Witch Project* rather than its innovations in filmmaking (Ansen, 1999). Because the film entered the Hollywood game after the production was completed, Artisan Entertainment was able to devote its resources to marketing research and persuasion. The independently made film was purchased for distribution by Artisan Entertainment for $1.1 million, and the studio invested $20 million to market it (Telotte, 2001).

The Internet marketing strategies discussed in chapter four earned the film and the studio a great deal of praise for their innovation, but Telotte (2001) points out traditional marketing strategies that were incorporated as well. Some of these strategies include posters, old-fashioned press releases, publicity stills, sneak previews and movie-related giveaways (Telotte, 2001). These traditional marketing strategies, in addition to the extensive story backgroundering that marked significant audience recognition, combined to create a Blair Witch subculture. Though these forms of publicity could be determined as a form of persuasion, their purpose as pieces of backstory could also be seen as a form of signaling, which encouraged audience recognition based on the scenery, style and history of the Blair Witch itself.

This type of convergence between persuasion and signaling suggests that *The Blair Witch Project* is a “high concept” production, in which the relationship between marketing and production come together to form a “narrative which is highly marketable” (Litman, 1998, p. 231). The convergence between persuasion and signaling suggests that a simplified film premise offers the easiest product recognition for consumers. As Hesmondhalgh (2000) claims, films are being derived based on this concept of narrative
simplification, which is part of the increasing level of studio control over creative products in Hollywood.

Editing and Market Research: Project Greenlight

Because the amount of control studios exert within the creative sphere is largely based on marketing data, the tension between the studio and the production team remains high. The demand for “high concept” creative products in Hollywood relies heavily on marketing research to determine what concepts are popular with audiences, and how movies can be manipulated on the editing table to cater to such demands. In some instances, footage is modified on the editing table to change the entire genre of the final film. This was the case in the second Project Greenlight film, which the directors said was to be a drama but “after viewing dismal ratings from a test audience, an executive producer at Miramax insisted the movie needed to be re-edited as a comedy” (Stuever, 2003, p. C01).

Though the filmmakers complied with the studio demands, the film did poorly at the box office, and many critics have attributed its failure to the jumbled transition between the directors’ cut and the studio’s cut. From a production of culture perspective, the results can be attributed to conflicting influences within the creative sphere, which included the studio, whose contributions were based on marketing data and budget restrictions. The “studio’s cut” was “hacked down to the dirt,” leaving a very weakened compilation of shots that had a duration of only 78 minutes (Stuever, 2003 p. C01). The evidence presented in this study suggests the marketing campaign, which incorporates the televised documentary series marred with negative publicity, is a major factor in box office failure for the films of Project Greenlight, but the studio’s role as a
primary creative participant also presents an increased probability for failure. According to Caves (2000), the choices of the creative participants are based largely on incentives and the way in which they are monitored or supervised. In cases that involve conflicting interests between the production team and the studio, the variance of outcome is widened dramatically, and the many channels of variance can result in an incoherent film.

The Director’s Cut, The Studio’s Cut; *The Bonfire of the Vanities*

While studios rely heavily on opinions generated in focus groups and test screenings to determine the outcome of a film, directors rely heavily on the editors themselves. As discussed in chapter five when the rights to a story are optioned or sold for screen adaptation by a production team, the process of editing follows a similar transition between creators. Though the director remains the primary authority on a film’s original cut and maintains some authority when working with the studio on the final cut, it is the editor that carries out the overarching goals of the director. During the editing process of *The Bonfire of the Vanities*, the editors were pressured to cut the film very quickly, and were unable to gain a confident understanding of the film as a whole (Salamon, 1991). Instead, they were concerned with how the various angles would cut together within individual scenes, and rarely discussed the quality of the entire film (Salamon, 1991).

The editing process, though ongoing throughout the shooting stages of a film, becomes more rushed upon completion of the footage. For *The Bonfire of the Vanities*, that meant a test screening one month after the shooting completed. According to one of the editors on *The Bonfire of the Vanities*, the amount of editing time per film had
decreased since the 1970s, when filmmakers were given a year to edit each film. Because of the increasingly hypercompetitive industry standards, the studios apply shorter deadlines to get the product to the theater (Salamon, 1991, p. 322).

Though the film’s director was in charge of the editing process, his time away on vacation further forced the creative influences of the editors upon the film. Upon the director’s return, he made cuts of his own, and produced the director’s cut for screening for the studio, but the director’s cut included the editors’ choices as well. Within the framework of the production of culture the number of creative participants at this stage in the production process is very high, which suggests the variance of outcomes is high as well (Caves, 2000). This does not necessarily mean the creative product is likely to fail, but as the division between the studio and production team continually narrows, the variance of outcome shifts radically based on changes integrated by the investors. According to Hesmondhalgh (2002), the increasing control of marketing over the creative sphere is an effort to increase the commercial structure of the creative industry itself. As this applies to *The Bonfire of the Vanities*, the studio’s final cut represents a perceived marketable version of the director’s cut as it incorporates the results of market research strategies.

**Effects of The Control of Creativity**

Within an industry based on considerable financial investments and rapid product turnaround, the reluctance to embrace innovation is expected. Studios in Hollywood have employed extensive marketing research in order to find acceptable balances between persuasion and signaling as marketing techniques. As production and marketing campaign costs continue to escalate, the studios rush to create product
differentiation within a congested market (Lampel & Shamsie, 2000). As the control of creativity tightens to produce creative products based on high concept narratives, the final product may indeed stand out in a hypercompetitive market but its studio influences may result in audience separation.

The reliance on marketing data based on past successes and trends, as well as simplified narratives results in a redundant product (Wyatt, 1994). Incorporating the limited ideas demonstrated in Crane’s (1992) analysis of an elite Hollywood circle, the end result points to audience separation. This can be attributed not only to the periodic cultural fragmentation that occurs between the Hollywood circle and the targeted culture, but also because of the narrowing division between the studio and the production team, which, as Hesmondhalgh (2002) argues, is resisted by a historically suspicious audience.

All previous stages of Hollywood filmmaking are influenced by marketing data, but the sub-stages of post-production are potentially the most far-reaching. Changes within this stage are controlled by studio executives primarily, as test screenings, audience questionnaires and publicity tactics are being used as measurements for projected financial success. These tools of measurement essentially determine if a film will be revised on the editing table, re-shot or marketed to a different audience entirely. Though the purpose of marketing research is to maximize a film’s potential for success, within the area of post-production, as within all stages of filmmaking and marketing, the influences of each factor are reflected in the creative product, regardless of their intention (Williams, 1982).
CHAPTER 7
CONCLUSIONS

The main purpose of this study was to determine how movie budgeting affects the production stages of Hollywood filmmaking, guided by two research questions. The first research question asked how budget restrictions affect financial success in Hollywood motion pictures, and research question two asked what effects creativity has on a film’s financial success. To answer the questions, the study used a case study approach to examine the effects and influences on creative participants within Hollywood film production.

Implications of Findings

To answer the first research question, sub-stages of each case were applied to theories of the production of culture to illustrate specific areas of financial influence on the creative product. From a production of culture standpoint, the financial success in Hollywood motion pictures is affected greatly by restrictions set by investors, and this was observed at all levels of production examined in this study.

According to Hesmondhalgh’s (2002) analysis of an increasing level of control over the production team by the studio, the narrowing distinction between the investor and the independent creative team causes an elevated level of risk due to ingrained audience suspicion of bureaucratic control. This theory suggests that the separation between investor and creator must remain relatively broad in order to nurture the long-standing cultural assumption that the industry operates with creative autonomy. Further, while the increasing level of studio control relies heavily on a limited amount of
elite creative participants, creative innovation dwindles and as the surrounding culture evolves, the isolated creative sphere in Hollywood loses touch with the culture it is targeting (Crane, 1992).

To answer the second research question, the sub-stages of each case were studied from within the creative sphere. While dealing with the overarching control set in place by marketing research and other studio influences, the study dealt with the influence of creators at each varying stage of production. As the cases have illustrated, each stage involves a shift in creative control, and the escalating number of creative participants dramatically increases the variance of outcome for the final product (Caves, 2000).

Though theories of the production of culture make no distinction between positive or negative influences, when the creative participants are employees and the primary goal of the final product is to achieve box office success, the progression of creative control within the sphere is somewhat chaotic. As each stage of production involves a new creator whose interactions become the primary influence on the story, the variance of outcome continues to widen, which increases the chances of financial failure (Caves, 2000). Additionally, when each stage of production is affected by marketing data, the relationship between the creator and the product becomes fragmented, as marketing priorities force entry into the production process. Further, through the dependence on marketing research, as Wyatt (1994) claims, innovation becomes liability. However the financial advantages of innovative products made outside of the Hollywood industry are demonstrated in Table 2 (p. 14).
Despite the vast potential for innovative products to succeed in the creative industries, Hollywood functions on a business model that tries to minimize uncertainty, but a strategy of measuring box office success potential remains elusive. Hesmondhalgh (2002) and Litman (1998) argue that uncertainty is a fundamental and unavoidable factor in the cultural industries and reception studies reveal that audiences use creative products in volatile and unpredictable ways. Hesmondhalgh (2002) attributes the tightened control over production as an attempt by investors to reduce the uncertainty of the product, but this control offers the potential for as much financial harm as it does for success. As research by Blumler and Katz (1974) suggests, audience members have varying needs that they choose to gratify through interaction with media. To appeal to the largest audience possible the Hollywood formula must find the most common goal, but members of the Hollywood circle are secluded from the external culture and must rely heavily on market data. In addition the overdependence on market research as a means of interpreting common objectives of mass culture eliminates the industry’s demand for innovation (Hesmondhalgh, 2002).

The elevated level of studio control has largely been attributed to the increasing amount of capital invested in Hollywood projects, but there is little evidence to suggest that a larger budget ensures a larger return on investment (Litman, 1998). The innovative and cost-effective techniques of independent filmmakers exemplified in Table 2 offer the possibility of minimal financial investment and unprecedented rates of return. The results of this study suggest that the way to increase audience identification and in turn financial success is to constantly introduce innovation from the external society. By incorporating the ideas of members of the target market, Hollywood could further
minimize periodic audience separation which has occurred in previous decades.
Through this process, the influences of the exterior society would be incorporated more
accurately within the Hollywood product. The expansion of the Hollywood circle is not
likely to occur on a more rapid level, however, due to the perceived success portrayed
by select Hollywood blockbusters in Table 1 (p. 13). The mass amounts of profits of
select blockbusters sustain the current industry structure, and members of the elite
Hollywood circle have demonstrated their financial capabilities. Because the goal of
duplicating such success remains the priority, the members of the circle are reluctance
to invite change.

Still the industry standard maintains that only three of every ten major Hollywood
releases will earn a profit at the box office, and the balance between signaling and
persuasion remains in flux (Lampel & Shamsie, 2000). The current study demonstrates
how theories of the production of culture apply to the Hollywood industry, and the
findings suggest that members of varying strata of the external culture should
continually be incorporated into the production process. With the inclusion of the
external culture, innovation can occur as it has in independent films in the past. For
Hollywood, this means an acceptance of inevitable uncertainty in the creative industries,
and a more relaxed supervisory role over the creative sphere.

Theoretical Contributions

The theoretical contributions of the current study are based on the practical
application of existing theories as they are understood within a modern motion-picture
industry. The study relied on Williams’ (1982) theories of the production of culture as
well as Crane’s (1992) analysis of its application within film, television, literature and
music. Because no previous research has been founded on the direct influences within the stages of filmmaking, the study incorporated Hesmondhalgh’s (2002) principles of the power structure in the Hollywood industry as well as Caves’ (2000) analysis of the creative participants as they work in response to this power structure as a means to understanding the relationship between investors and creators.

By incorporating these channels of previous research, the study contributes theoretically by validating Williams’ (1982) and Crane’s (1992) founding principles which, in their application to modern Hollywood filmmaking, suggest that influences within the creative sphere are increasingly managed and provoked by the interests of the investor.

Limitations and Further Research

A case study approach was most suitable for the current study because it allows for specific application of theories of the production of culture within a modern creative industry. By using a case study approach, theories by Williams (1982), Crane (1992), Caves (2000) and Hesmondhalgh (2000) could be tested in specific sub-stages within the Hollywood production model. In their application to real-life production situations, a case study approach allowed for an improved understanding of the extent of the impact of these theories, and their far-reaching consequences became better understood. The results suggest a case study to be the most fundamental approach to the application of the production of culture in Hollywood, and to be the most practical method for establishing specific factors that impede the relationship between the investor and creative team.
Although the sub-stages that have been analyzed within this study are considered to be among the most consistent throughout the industry, a case study approach is limited by the unique circumstances that formulate the influences and outcomes within each sub-stage. Primarily, the findings are limited due to a fundamental lack of documentation on the production process in Hollywood, as well as the inherent differences between each film project. Because film production methods as well as studio protocol remain significantly shielded from public awareness, the study relied on production cases that have been widely documented. Further, a case study approach is limited by the biases and size of the sample as well as the biases of the author.

The study was also limited by the expansive nature of the fundamental theories. Through each sub-stage of the filmmaking process, the indirect results of the influences within the creative sphere remain elusive, and the outcome of each influence is impossible to verify though the founding theories maintain they are reflected in the creative product. Further, the application of theories of the production of culture does not allow for a distinction between positive and negative influences, and this distinction remains subjective. The interpretation of “quality” remains subjective as well, and the study is limited by the biases in favor of the “preferred” creator (financer or hired creative participants). However, as Hesmondhalgh (2002) maintains, these biases are rooted within a society that inherently rejects bureaucratic control over creative products.

Considering these factors, the current study exists as a method for future research to determine the continuing effects of a narrowing division between the studio
and the production team. The research offers a link between theories of the production of culture and a modern Hollywood production model, and acts a starting point for further development within the stages of production and marketing. Based on the findings of this study, future research should incorporate more inclusive data on the production process in Hollywood on a case-by-case basis in order to analyze the effects of the relationship between investors and creative participants more directly.


