The Management of Transmedia Production in an Era of Media and Digital Convergence

by

Andrew D. Merkin

A.B. Anthropology and International Business
Rollins College, 2003

SUBMITTED TO THE MIT SLOAN SCHOOL OF MANAGEMENT IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF

MASTER OF SCIENCE IN MANAGEMENT STUDIES
AT THE
MASSACHUSETTS INSTITUTE OF TECHNOLOGY

JUNE 2010

Signature of Author: ____________________
MIT Sloan School of Management
May 7, 2010

Certified by: ____________________
JuanJuan Zhang
Assistant Professor of Marketing
Thesis Supervisor

Accepted by: ____________________
Michael Cusumano
MIT Sloan Management Review Distinguished Professor of Management

The Management of Transmedia Production in an Era of Media and Digital Convergence

by

Andrew D. Merkin

Submitted to the MIT Sloan School of Management on May 7, 2010 in Partial Fulfillment of the Requirements for the Degree of Master of Science in Management Studies

ABSTRACT

As the digital and media convergence era hits its full stride and media companies struggle to maintain profitability in sectors of the entertainment industry, the production of transmedia experiences is becoming more commonplace with the coordination of film, home video, gaming, merchandising, and the creation of new media. This thesis analyzes the management needs of transmedia campaigns in the current and near future markets and the requirements for brand management. Using Henry Jenkins' work on transmedia narratives and storytelling, participatory culture, and a strong foundation in the design of narratives provided by the Comparative Media Studies program at MIT, I add a business perspective on risk and brand management to counteract the rising costs of production and marketing.

I begin with a survey of the effects of media and digital convergence on the creative aspects of entertainment, then the attributes of the transmedia narrative are addressed including the historical development of multimedia and intellectual property rights management, and concluding with a fresh look at the content of the entertainment industry as an information product.

In the final section, I propose means of managing a transmedia production and approaches to marketing using social networks, product placement, and lifecycle management in the era of convergence as well as the implications on the existing talent system.

Thesis Supervisor: JuanJuan Zhang
Title: Assistant Professor of Marketing

Acknowledgements

I would like to express a complete sense of gratitude to multitudes of people beginning with my thesis advisor, **Prof. JuanJuan Zhang** for her support while allowing me to work in a nontraditional direction for a business student. To my wife, **Crystal Watson**, who has been a wonderful sounding board and so very patient during my caffeine-induced writing frenzies. To **Prof. William Uricchio**, who permitted a "suit" to take part in his Comparative Media Studies program and for helping me focus my research to span the theoretical academic world with the application in operations. To the members of the Convergence Culture Consortium to introducing me to a network of people like me. To **Henry Jenkins**, while I was never able to meet you in person, your impact at MIT is lasting and your work is resounding. To **Frédéric Martel** for ensuring that I am not simply writing strategy for the American population but to the greater entertainment audience. To **Prof. Renée Gosline** for your ability to focus brainstorms into a foundation of citations. To **Prof. Chris Weaver** for trusting in my production and creative ideas while I experimented in a new medium. Finally, to the **multitudes of entertainment executives and producers** that I have worked and met with for supporting my solution to an unresolved opportunity.

Biography

Andy Merkin has always been interested in storytelling and creating an interesting life for himself. He spent most of his youth on the West coast of Florida but also has experienced a nomadic life picking up hobbies and stories along the way. He completed his undergraduate degree from Rollins College in Winter Park, Florida where he wrote his honors thesis on the development of fandom in the music industry, joined the Peace Corps and served in Bangladesh for 2½ years mentoring entrepreneurs and training teachers and students. He is part of the founding class in the MSMS program at MIT Sloan as part of a dual-degree with HEC-Paris where he earned his MBA as part of an 87 percent international class.

While he is still not sure what he wants to be when he grows up, he knows that it will be based in creating, culture, and life. He has worked as a camp counselor, zookeeper, improv performer, costume character, ice hockey referee, marketer, and financial consultant. He has one dog, Scrappy Dushto, who was picked up out of a trash pile in Bangladesh and has travelled with him to the Florida, Paris, and Massachusetts and holds an EU Passport. He has one wife, Crystal Watson, who he first met in 7th grade, became best friends in 10th grade, and married in Bangladesh in a Buddhist monastery and orphanage.

Introduction 10
The Media Industry *16*
Key Players and Life from Their Point of View *18*
Digital Convergence *19*
Media Convergence *23*
Brands as Channels *25*
Conclusion *26*
Transmedia Storytelling 28
House vs Market Product *35*
History of Multimedia Strategies *36*
Current Status of Multimedia Landscape *41*
Risk management *41*
Intellectual Property *44*
Legal Framework for Intellectual Property *44*
Entertainment as Content as Information 54
New Perspectives on the Entertainment Experience *54*
Yum! Content! *55*
Time Management *60*
Sunk Development Costs *60*
Marketing Information Products *61*
Transmedia Production Process 62
Leadership and Managing the Creative Vision *62*
Technology *64*
Marketing Entertainment 68
Experience Goods *68*
Product Lifecycle Marketing in the Era of Convergence *68*
Product Placement *70*
Social Marketing *72*
Threats to the Status Quo and Implications for the Future 74
Talent System *74*
Conclusion 77
Appendices 79
Appendix A: Traditional Life Cycle and Delivery Channels for Narrative Media *79*
Appendix B: Cross-Media Diagram *83*
Appendix C: Current Media Platform Attributes *84*
Appendix D: Transmedia Projects by Top 10 Stars of 1990s and 2000s *86*
Bibliography 88

Introduction

I decided on this project as a means of bringing one of the oldest (if not the oldest) traditions in society up to the technological frontier of media. Transmedia narrative (transmedia) is the separation of the story from the medium of the telling and expanding that story so that the look, feel, and experience are realizable through multiple technologies. Transmedia is not for every type of story and by no means should it replace the artistic expressions that each medium has at its foundation. Filmmakers should continue to create for film, writers should continue to write to be read, playwrights should continue to create theatrical masterpieces. Without their expertise in each medium's expression, there will be no quality product to be told because transmedia still depends on a mouth to be heard. I attempt to limit the focus of this thesis to media productions that are traditionally used for narrative storytelling and experiential entertainment: film, television, books, comic books and graphic novels, live theater, and theme parks. A review of the narrative attributes of each medium and their trend is covered in Appendix C. Most production strategy is from the perspective of film since it usually can be applied to other media and tends to have the highest capital budgets; accordingly capital defines canon. The most expensive development costs tend to define the style, direction, and narrative of a production franchise or else the film will be a really expensive outlier that will not recover its investment.

The layout of this thesis begins with a **survey of the media/technological landscape** focusing, not on emerging technologies or a "crystal ball" prediction of the next standard, but rather a framework for the effect technologies have on the consumer and consumption habits of entertainment products. Part II is the **application of transmedia storytelling** to the existing media infrastructure. A significant portion of this section is dedicated to **the historical development of multimedia entertainment** as well as one of the biggest hindrances to transmedia development: **rights management,** because of its importance in the entertainment industry. I address several basic tenants of intellectual property law from the business perspective of a stakeholder. I also look at intellectual property (IP) development over time to offer a different perspective on creative products and the benefits of a more collaborative approach to creation.

The second half of the thesis is dedicated to the management of production and brand management of transmedia entertainment products. Beginning with the **management of content,** moving to the **management of creating content** across multiple platforms and then addressing **how convergence will affect the brand management of transmedia products.** Finally, I will address the **implications the future of transmedia holds for the current stakeholders in media.**

The entertainment industry is a combination of a collaborative artistic effort and one of the most risky business endeavors. There are few industries in the modern global economy other than the film industry that accept that 80 percent of the products placed to market lose money and, of the 20 percent that are profitable, 35 percent earn 80 percent of the profit. This is especially true when the consumer does not know the true experiential value of the product. Imagine buying a car knowing that 80 percent of the cars are not worth their price (*insert car dependability joke here*) and having no way to research the quality until you buy it.[1] Between 1984 and 1996, 6.3 percent of movies earned 80 percent of the profits for Hollywood (De Vany, 2004). By these estimates, of the 520 movies released in 2009, 104 were profitable, and 36 of them earned $8.48 billion of the $10.6 billion domestic box office revenues.[2] As De Vany states, "this concentration of profit is not unlike stock market returns, where six percent of trading periods earn 80 percent of the returns[3]." The biggest difference between the entertainment world and the stock market is that the former is the collaborative expression of an artistic vision while the latter is the result of a fiduciary duty by executives to maximize profits.

This thesis is an effort to recognize the opportunity for a greater storytelling narrative, art, and visionary expression that is made possible within an evolving landscape defined by media and digital convergence. The focus will concentrate on the relationship among content, production, the consumer, and the changing technological landscape that connects these agents. Due to the traditionally intensive capital requirements to produce the content and to simplify the argument for management

---

[1] To further your paranoia, returns are also not accepted.

[2] according to BoxOfficeMojo.com (2010)

[3] The similarities between returns in movies and the stock market opens up the possibility of the viability of applying portfolio market theorem to transmedia projects; a subject of another paper.

across media, the production management focus will be on movies, with some forays into television, games, and literature. It will fully analyze the production process within the entertainment industry and better optimize it for use in the changing landscape of convergence.

It should be noted that this is not an instruction manual for creating transmedia narratives but rather an argument for the strategic implementation of transmedia production due to convergence and the changing landscape of the entertainment industry. For instructive research into the development of transmedia narrative including the use of negative capability, world building concepts, and the use of open questions as migratory cues, refer to Long (2007), Jenkins (2006), and Barthes (1974).

The entertainment industry is the oxymoronic collaboration of artistic expression, hermeneutic storytelling, and for-profit business models. Risk-averse media companies and investors need to collaborate with risk-seeking creative artists to invent an intriguing concept that will hopefully create an information cascade in the market while controlling costs so that the return on investment covers the invested risk and then some. Risk management in the entertainment industry has been highly criticized in media coverage over the past 20-years as a result of the growing budgets in production and marketing (DiPersio & Bardach, 2001) and there have been efforts to control the risk through the invisible hand of the market, such as the creation of a futures exchange to trade movie derivatives (Popper & Fritz, 2010). The implications that this endeavor could have on artistic expression, including the destruction of the niche markets and independent films or an outlandish/vocal directors' and movie stars' ability to control the market through commentary, can only be played out in the nightmares of Hollywood executives. Likewise, distributing productions that are "safe" is not a stable long-term strategy once the consumer base realizes that there is no further value in future editions.[4]

The costs of production in media are front loaded and thus sunk well before any content is finalized. Thus, the quality of the content within the market may falter due to the lack of incentive to not release a product. Of unprofitable movies, half account for 80 percent of the total losses (De Vany, 2004). Television programming is frequently cancelled when it is *construed* that there is not a large enough base of an advertising-focused audience. According to TVByTheNumbers.com (2010), between a third and a half of programs are cancelled each year. Just 4 percent of the games that go into production will turn a profit and only 20 percent of titles that are sold at retail stores achieve profitability (Reisinger, 2008). Additionally, entertainment marketers often talk about the challenges of creating a strong marketing effort for a product that isn't up to market standards or consumer tastes (Kotler & Scheff, 1997; Lukk, 1997; Marich, 2005).

Using Aarseth's (2006) model of cross-media content transfer as a base, this thesis will present an evolution from the concept of cross-media, the creation of entertainment

---

[4] See [experience goods] for further analysis on consumer expectation.

content that operates on several media platforms independently, to transmedia production, where each medium adds a distinctive complement to the greater narrative experience. The analysis presented in this thesis is focused on the collaborative rather than comparative studies of entertainment products.

From the consumer perspective, reading across media sustains a depth of experience that motivates more consumption. In a world with an ever expanding choice of media delivery options, consumers are choosing to invest deeply in a limited number of content franchises rather than dip shallowly into a larger number. Increasingly, gamers spend most of their time and money within a single genre, often a single franchise (Jenkins, 2003). This trend reaches across the industry into films (consolidated successes for certain franchises, and longer runs in the most profitable media platforms) and comics (extremely long runs for a very limited number of superhero icons). These products are reaching a point of saturation within the medium and companies are dabbling in more multimedia ventures using the same narratives. While redundancy between media causes a flash in fan interest, it also causes franchises to fail because the new medium only offers the same narrative retold. Offering new levels of insight and experience refreshes the narrative and sustains customer loyalty (Jenkins, 2007).

Economically, transmedia productions also make sense. Different media attract different market niches. Films and television tend to have the most diverse audiences; comics and video games, the narrowest. Good transmedia franchises attract wider audiences by pitching content differently in each media platform. If each project offers fresh experiences, then a crossover market will expand the potential market within any individual medium. Network effects also kick in and create a self-promoting cycle. So, a person may not be partial to playing video games, but if she likes James Cameron's *Avatar*, she might experiment on a related game title if it furthers the narrative that first sparked her interest. Regardless, she will be able to recognize the franchise in another medium and generate "buzz" by promoting it to those people that she knows likes the medium.

I am not arguing that transmedia franchises should take over the entertainment industry. Not all stories will flow across media. In fact, most will not. According to Hollywood lore, a good pitch starts with either a compelling character or an interesting world. From this idea, it is easy to generate a test: if a good character can sustain multiple narratives, it can thus lead to a successful standard movie franchise (e.g. *Die Hard, Rocky, Godzilla*). If a good "world" can sustain multiple characters (and their narratives), it can successfully launch a transmedia franchise. They still require the holy trinity of storytelling rites, plot, character, and setting, which is discussed in [Transmedia Storytelling].

The Media Industry

Defining the media industry has traditionally been a challenging task. The act of differentiating it only highlights the elusiveness and ambiguity within the industry, which is compounded with the inclusion of the rate of change within each sector. One of the most cited definitions is based on Albarran's (2002) definition of media industries. Figure 1.1 is an adaptation of Küng's (2008, p. 7) visual representation of this view of media products before the era of convergence. For the sake of this work, I have bound the entertainment industry to sectors which supply value to a narrative and can be orchestrated across media. Thus, radio, music, television, theater, movies, gaming, theme parks, and books generate a narrative value for the consumer while sports, newspapers, and magazines, usually have not included a storytelling structure with their product.

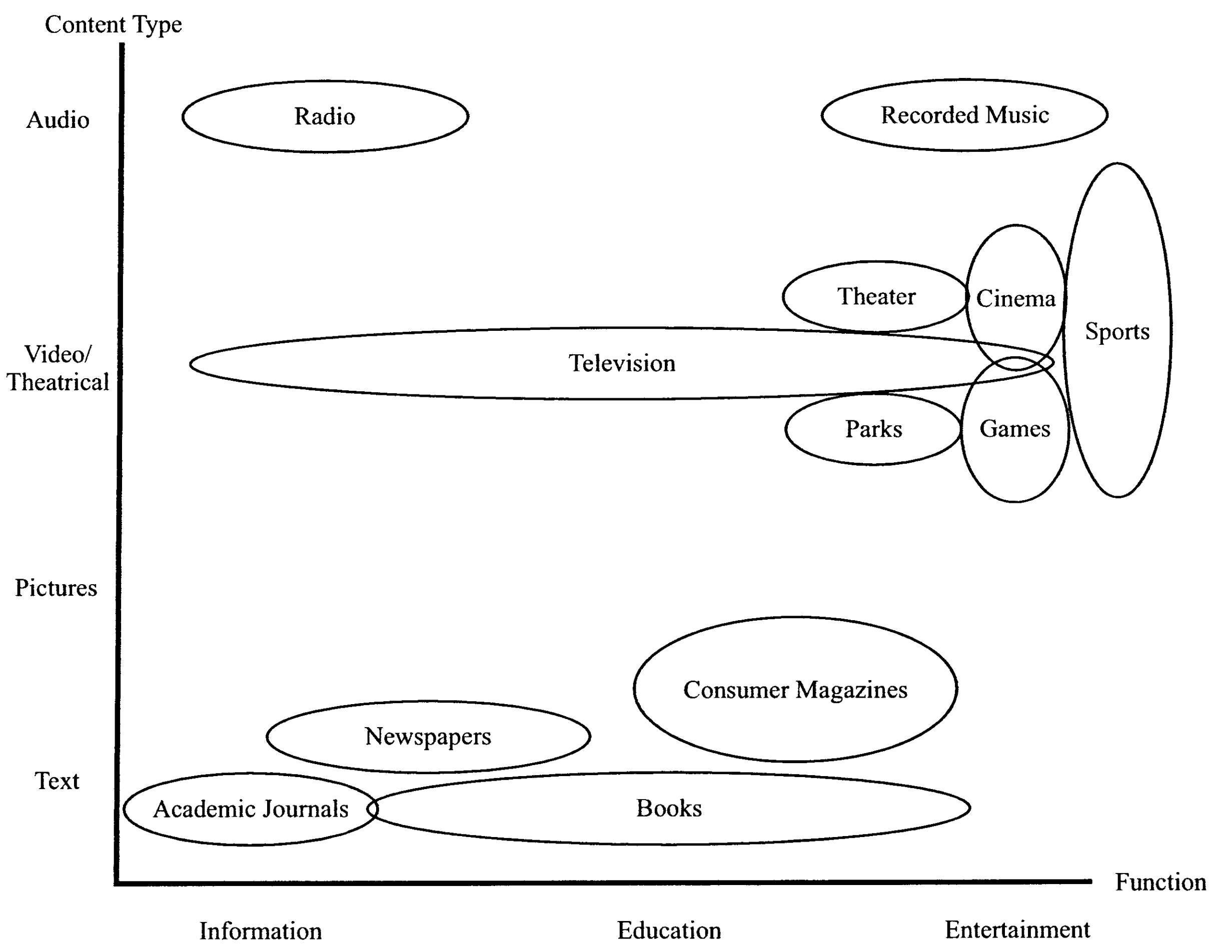


Figure 1.1: The traditional view of the media and entertainment industry

Key Players and Life from Their Point of View

The majority of entertainment products are created, financed, or distributed by sprawling multinationals that reach into almost every sector of the media industry (Küng, 2008). While Henry Jenkins (2007) claims that a media conglomerate has an incentive to spread its brand across as many different media platforms as possible, he fails to take into account the rate of failure (Pareto's 80/20 rule) of watershed entertainment products, such as movies. The conglomerates have little desire to brand their products with their logo but would rather promote the branding of the franchise itself. Recent marketing efforts have not promoted the studio as much as the creative efforts. The demise of a single tent-pole movie, while painful to accept pales in comparison to the slow death of the entire studio or corporation by associating their profitability to a product with a 80 percent fail rate.

With the exception of Bertelsmann who does not own a movie studio, the six other media conglomerates (Time Warner, Walt Disney, NBC Universal, News Corp., Viacom, Sony) each hold entities in film, television, books & magazines, music, video games, radio, and sports teams to make up the "Big Seven." There are also a multitude of independent production houses that range from larger budget and well-marketed productions such as The Weinstein Company and Lionsgate to small artistic houses that fill very niche markets.

The highly competitive market coupled with a strategic focus on creating a hit has pushed production costs to $65 million with the average marketing budget of $35 million. The net result is that only one in 10 films breaks even domestically and four of 10 never recoup their original investment. Media and production companies now *require* a significant return on ancillary products to recoup the cost of the initial investment in film. The importance of strong brand association with theme parks, television, and video games give an opportunity to extend a narrative that can turn association into loyalty.

The extensions into ancillary products has coincided with a fundamental change to the media landscape, convergence. These extensions have allowed consumers to correlate products across platforms but have failed to strategically capitalize on the transcendence of the content that convergence allows.

Digital Convergence

The phenomenon of digital convergence is based on the idea that "all" information will be transferred to digital form. Information is used as a very broad definition and encompasses any knowledge that has some value (i.e. personal, business, sentimental, etc.) and, accordingly, people will be willing to pay for it. The transformation of the physical expression (atoms) to digital (bits) is a trend that Nicholas Negroponte (1995) applies to information products and is encompassed by a vision where all information will be digital in the future. The operational effect is a common infrastructure for processing, storage, and communications where information is bits and bits are aware of bits. The previous existence of information as a one-way transfer (the author of a book doesn't know who is reading his information) is now a two-sided network where information about the information (i.e. metadata) can be tracked and processed digitally. Digitally converged information operates on a two-sided network. The two-sided network, when placed in the context of society, also gives birth to collective intelligence and the ability for an individual to obtain knowledge from the crowd (Lévy, 1997). The effect of this for the entertainment industry is discussed in [Marketing].

Economically speaking, information that was once based on a business model of recovering investments and profits on high marginal prices is now placed in an environment where the cost to reproduce the information by the consumer (or information holder) is negligent. Thus, pricing on cost is irrelevant and leads to differential pricing (Shapiro & Varian, 1999).

From a sociological point of view, digital convergence represents a break in the historical structure of the importance of access to information. Müller in 1994 analyzes the community's sanctity of information symbolized in the physical medium rather than through personal value. In older times, only important information was written (e.g. Scripture on parchment, Commandments in stone), but now there exists institutions that seek to give "access to information for the entire world, and in every language" (Google, 2010). We have lost the ability to discern what information is important based on the traditional constructs that have told us what is important.

The lack of scarcity of information creates a bottleneck at the consumer; namely his/her attention is challenged by the ubiquity of information. The constant fight to obtain consumers' attention has led to skyrocketing marketing costs in the entertainment industry as each film fights with one another for the attention of the consumer. The marketer's burden is no longer to have the customer hear about the product, it is to have the customer listen to the marketer.

Digitization also permits not only perfect replication at no marginal cost, but a lifespan that does not depend on the medium. The creation of cloud computing and redundant backup has ensured that, barring a catastrophic universal event, information will not be lost nor forgotten. Hart (2006) and Choi, Stahl and Whinston (1997) refer to this as the non degrading or indestructible trait of digital information, but I prefer the term *immortal* because it denotes the separation from the delivery platform and importance of creation, which is discussed in [Transmedia Production]. The effect on the market of a product that does not decay/disappear is that the market will consistently grow with the newest information taking the most market share and some consumers purchasing niche products. Chris Anderson (2006) has termed this the *long tail* and makes assumptions that the distribution and delivery technologies will remain low and either consumers will be savvy enough to seek out the information or companies will develop recommendation engines robust enough to ensure that consumer tastes are satisfied with products that they did not know they needed.[5] While there are challenges as to whether this will fundamentally change the purchasing behavior of consumers on a macro level (Elberse, 2008) or if distribution will become cheap enough (Gladwell, 2009), there is an immediate effect that can be seen with the recent release of Disney's *Alice in Wonderland* (Burton, 2010), an extension of the original narrative by Lewis Carroll. It has prompted a deluge of sales of DVDs of earlier versions ranging from a 1933 version (McLeod) starring Cary Grant and Gary Cooper to a 2009 SyFy channel version starring Kathy Bates, and Tim Curry (Lim, 2010). Pro.IMDb.com lists 142 titles and approximate titles containing "Alice in Wonderland," illustrating the range of interpretations.

The effect of digital convergence isn't limited to legally authorized versions either. *Wings* (Wellman), the 1927 Best Picture Academy Award winner and *Cavalcade* (Lloyd), the 1934 Best Picture Academy Award winner, have some notoriety for being the only two Best Picture winners not to be released on DVD. They are both available via illegal bit torrent download. While not a condonation of copyright infringement, it is proof that the long tail may not be defined by retail efforts or legal distribution channels alone.

[5] It looks like this is already true as Pandora plays 94 percent of their 750,000+ song database daily based on recommendations ("Pandora.com," 2010).

Media Convergence

Convergence is a common concern among media executives. Most are looking for whatever the next "thing" in media is so that they can move their business model, intact, to the new iWhatchamacallit® and reap the profits. Studios are pushing for consumers to invest in a Blu-Ray player while also working to undermine that very channel by developing their own standard (Netherby, 2009). The biggest strategic failure is the lack of recognition that the media landscape is in the midst of a fundamental change.

Convergence operates on two levels and is driven by the effect of the technological advancement. First, there is a convergence of delivery platforms through networking. This is not to say that new technology is converging. New technology diverges. The development of new technology, by definition, does not operate on the old technological foundation [see the black box fallacy]. While delivery technologies diverge with each generation, the physical infrastructures created and maintained by the telecommunications industry have combined to carry similar information at consistently falling costs while the processing speeds and storage size available to consumers are rising (Metcalf's Law) causing reduced prices. The falling prices and increasing speeds and sizes combine to create an explosion of networked information available to the average consumer. The information that is utilized by this system has changed fundamental tenants of the sociological and cultural foundations of our society where any person in a networked society can expect to find any piece of information instantly and with no search costs (Brynjolfsson & Saunders, 2010; Jenkins, 2006; Küng, 2008; Shapiro & Varian, 1999).

This affects the entertainment industry because the ease and speed of the transfer of content now operate at speeds similar to our brains without conscious effort. There is a true flow of content across multiple platforms that moves fast enough so that the consumer does not need to exert energy to search. The effect is that there is now a "migratory behavior of media audiences who will go almost anywhere in search of the kinds of entertainment experiences they want" (Jenkins, 2006, p. 2). Digital convergence has ensured that the content does not care about medium constrictions. Media convergence has ensured that the content will be fodder for the social interactions implicit in a networked environment. Content is now a public good and can be provided or sought after without regard for the business models that are built upon the medium. This is not to say that people are not willing to pay for content.[6] In the eyes of the consumer, the media industry has been rearranged around the senses. Technology

The Black Box Fallacy

The expectation of a future of one product handling all of your technology will always remain in the future and never come to the present. Schell (2010) and Jenkins (2006) call this the "black box fallacy." Reducing convergence to the creation of a technological hub fails to realize the process of creation and innovation and the idea of technology as a whole. New technology will not be supported by the same technology that is already in the market. Despite the relentless software updates that are made to our computers, mobile phones, and video game consoles, if a truly new technology is going to be implemented, you will need to buy a new box.

[6] see [Content as Information]

has improved the transfer of audio and visual content and these are the sectors whose business models are suffering most.

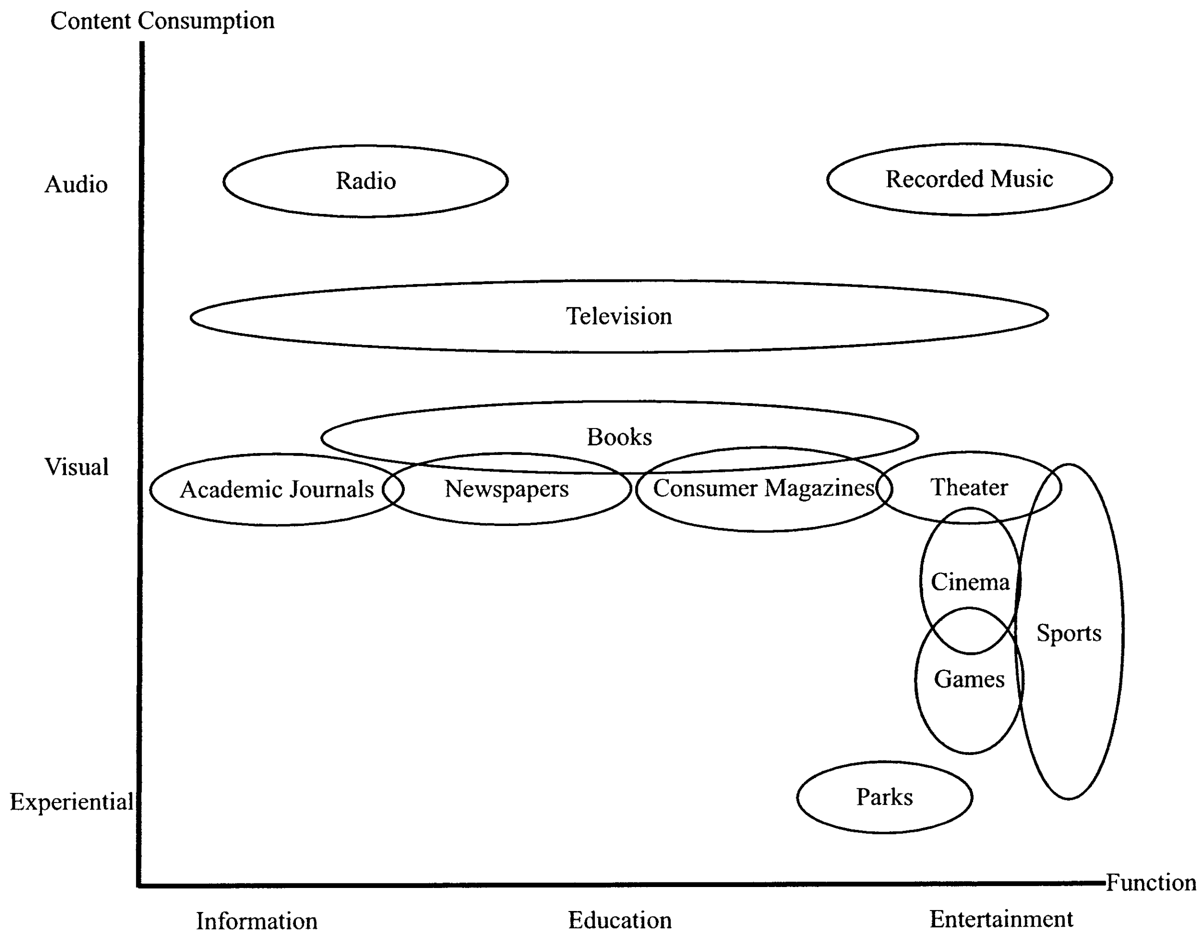


Figure 1.2: The convergence view of the media and entertainment industry

Brands as Channels

We have seen thus far that the world has evolved to a point where information is ubiquitous. The medium no longer is the channel that differentiates the source, quality, or content of the information. What becomes important is the flow of symbols, styles, and presentation to the consumer; a means of conveying continuity of the source and dependability of the quality of information. Branded information is the key to maintaining loyalty and a way of differentiating information from the noise. In short, branding is a known face in the information crowd. Experiential marketing (Vollmer, 2008) involves the customer in the creation of an experience to connect to them on a deeper level and is implicit in a transmedia narrative. The use of the brand across media platforms, which all offer some form of experience will promote other media ventures because it is a continuation of the narrative. The narrative thus serves as its own branding while also offering additional valuable content.

The concept of brand extension, where the well-developed brand image uses the same name for entry into a different product category is not a new marketing concept. In the 1990s, 81 percent of new products used brand extension to introduce new products (Keller, 1998). For entertainment products, the brand extension isn't simply a spin off that transfers momentum into another product category but an extension of the original product. The brand thus becomes a channel that defines the quality of entertainment that consumers desire.

Conclusion

This chapter has identified:

- Several intricacies of the entertainment market including:
    - high risk, hit based productions where 7 percent earn 80 percent of the profits.
    - mixed incentives for multitude of stakeholders who need to work collaboratively.
    - front-loaded production costs that make quality-control for release difficult.
- Depth creation across media:
    - narrative depth by capitalizing on unique attributes of each media.
    - economic depth by offsetting medium failures with supplementary platforms (portfolio theory).
- Two type of convergence:
    - digital convergence: the digitization of information.

    - media convergence: the separation of content from the medium.
- Brands as channels:
    - the increase in information flow causes a lack of differentiation in products.
    - consumers follow brands as extensions of the entertainment experience.

Transmedia Storytelling

This chapter:
- Introduces the concept of transmedia storytelling.
- Differentiates cross-media and transmedia production.
- Traces the history of multimedia entertainment.
- Surveys the first modern multimedia entertainment producer: Walt Disney.
- Addresses the historical impact of Intellectual Property and offers an alternate perspective.

Transmedia storytelling is the use of multiple media in collaboration to extend narrative into multiple forms while remaining collaborative so that each contribution augments the greater experience as opposed to existing in conflict. Henry Jenkins is credited with the formal creation of the idea in his 2003 *MIT Sloan Technology Review* article, *Transmedia Storytelling,* but formally defines it in the 2006 book *Convergence Culture,*

> A transmedia story unfolds across multiple media platforms with each new text making a *distinctive* and *valuable* contribution to the whole (pp. 95-96).

Long (2007, p. 10) expounds upon this,

> Every text exists not in isolation but in a complex web of interconnectedness with other texts that influenced it or are influenced by it, texts that it references or that reference it, and so on. In transmedia storytelling, this concept is made explicit, complicated and formalized through intermedial deployment. Transmedia stories build narrative references into each component to direct audiences through the closed system of the franchise - which, when taken *in toto,* makes up the transmedia story.

Transmedia Storytelling is:

- the creation of fictional worlds through multimedia.
- an extreme in a continuum that relates narrative to the medium and opposite cross-media.
- founded in a strong plot, compelling characters, and the ability to create a world for the audience/ consumer to live in.

While the terms are often used interchangeably, there should be careful attention paid to the differences between cross-media and transmedia. I have defined cross-media as enabled through progress in technology. It is the asynchronous production of media versions sequentially, where the first version is seen as the original content and the resulting products are seen as reproductions of the original to new media.

Rights management in cross-media products is relatively established due to the fixity of the medium and the discrete and substantive clarity of the content: Producer A created content that Producer B wishes to transform into another medium. Cross-media productions are not limited to entertainment but can also be ethnographic, educational, or journalistic because it is the same story being told over in another medium. The costs of production are rationalized based on the performance of the previous medium. As Aarseth (2006, p. 205) writes:

> Typically, low-cost media such as books afford later transfer to high-cost media (movies) that often depends on, and is initiated by, the success of the initial product, where as high-media products afford simultaneous transfers to low-costs media (e.g. novelizations and comic book versions).

In transmedia, each iteration of the narrative is unique and serves a contributory purpose. The multiple channels thus serve as threads in the greater chronicle of the entertainment experience and deepen the audience's appreciation for the greater story. From a macro-perspective it is world building through the use of multiple media.

Etymologically, cross- denotes movement from one point to another having a direction ("cross-," 1989) while trans- is denoted as over or above and object ("trans-," 1989). Cross-media thus shows a break from one medium to another while transmedia is over and inclusive of a medium.

Adapting Long's (2007, p. 15) graphical representation of transmedia production for asynchronous entry as permitted by convergence is demonstrated in figure 2.2.[7] For this example, core intellectual property, a book, film, and comic series, are released at the same time, X. Shortly before this launch a game was released to build marketing buzz. Subsequent "sequels" and "prequels" using different media are used to build a greater narrative experience.

[7] See Appendix B for a visual representation of cross media

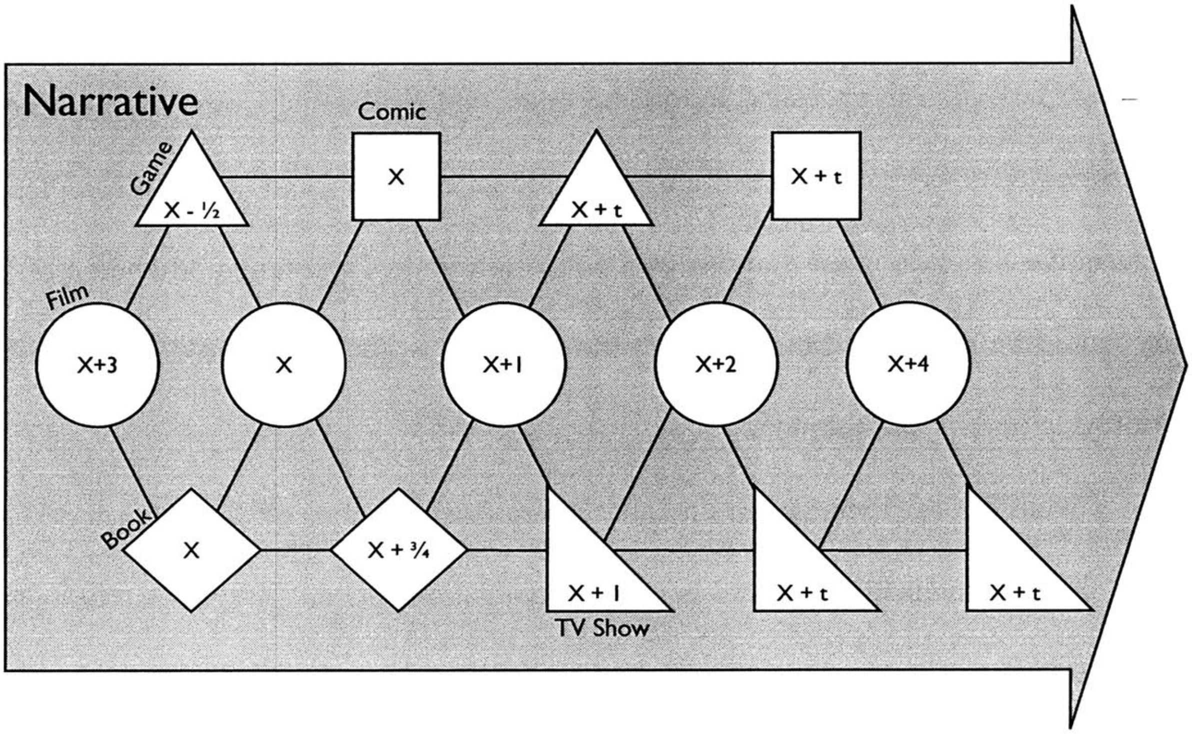


Figure 2.1: Transmedia production timeline

The application of a multimedia strategy can be fashioned to a continuum according to the degree of narrative intertextuality subject to each medium. At one end is cross-media, which in its most extreme form is the loose application of branding. Here, each medium has no correlation to the narrative and instead relies only on the association of another product, or basic brand extension. The lack of continuity can be due to creativity running amuck by different authors or legal restrictions in licensing that block another medium from utilizing the creative ideas of another.

One step away from loose cross-media branding is adaptation, the retelling of the original narrative in another medium. While the narrative is essentially the same, the characteristics of the medium offer a different value package to the consumer. For instance, books describe the characters, plot, and setting while movies actually show what they look like in spectacle form. The other end of the spectrum is defined as *transfiction* (Dena) where each medium is dependent on another medium to complete the narrative and each is *not* autonomous. For instance, the beginning and ending of a story would be in different media where the audience would be required to use both platforms to understand the story.

Given that the extremes of any spectrum often are more similar to each other than a linear visualization, I have graphed the relationship of multimedia strategic models as follows:

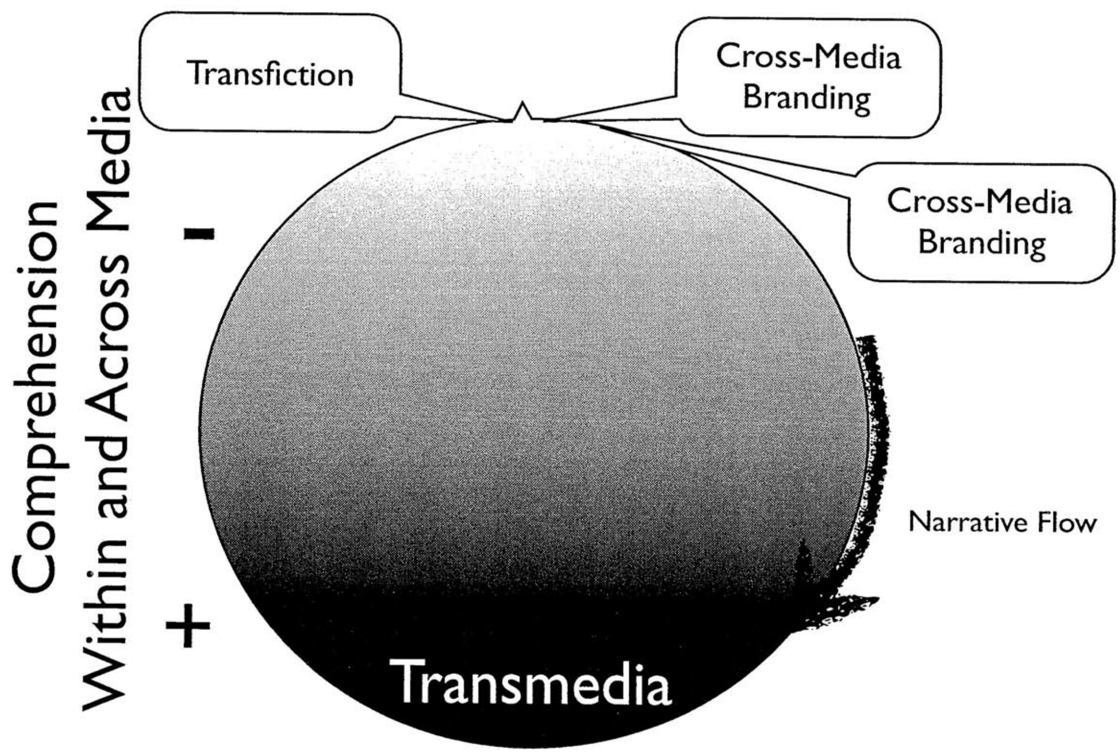


Figure 2.2: Comparison of Narrative Comprehension in Multimedia productions

Transmedia production, while still based upon a core narrative in the producer's mind, in the eyes of the consumer, has no "ancillary" products. Each medium serves as an extension that augments the central narrative rather than simply tacking on to it. At the end of production, the story is a complete whole with each narrative plugging, more or less, seamlessly from one medium to another. The hermeneutic codes are consistent and all characters and subplots are collaborative.

Given these foundations for creative development, there are three keys to ensure that a transmedia franchise can be extended without diluting the central narrative. They are:

- **Plot:** A good story is the key to any entertainment product. There must be a reason why people want to spend money not just for the original experience but for the extensions on that experience. Storytelling is the fundamental monolith that must always be respected regardless of medium. This is an artistic effort that is based in the skills and creativity of the writers. There is no business model for finding a compelling story because it changes with the time, culture, and temperament of the audience. It is only the intuition of the producers and directors who know it when they see it. Subplots will serve as extensions of the canon and thus need to be robust enough to be extended.
- **Characters:** A strength in multiple characters is the first signal that a concept shows the potential to be applied to a multimedia production. The idea of having a strong ensemble cast where more than just the lead talent have the ability to carry a production. This rubs against the grain of the star-driven talent management system that has ruled Hollywood for most of its existence. But recently more franchises have been built around talent that starts from lesser known actors who

are able to grow (and be affordable) with subsequent installments to represent the franchise.[8] Daniel Radcliffe *is* Harry Potter versus Tom Cruise who *is the star* of Top Gun. It has been said that the plot is what gets people to show up to see what happens while the character makes people show up *again* to see what happens to them. People become emotionally invested in characters, not plots.

- **Worlds:** While most conducive to certain genres such as science fiction or fantasy, world building is the ability for the consumer to logically fill in the cracks between narratives with either another product or their imagination. Can the audience imagine themselves in the world that is created by the entertainment experience in all of its media? Long **(2007)** calls this the art of building gaps into a narrative to evoke a sense of uncertainty, or *negative capability,* to allow the consumer to guess and/or desire another installment with open questions. The television series *Lost,* while not the first television series to expend a great deal of energy extending elements of its narrative, is one of the most recent successes of extending not just across media platforms, but also into the spaces and experiences of everyday life **(Johnson, 2009)**. The world of James Cameron's *Avatar* **(2009),** was so encompassing that parts of the audience actually claimed to have become depressed from the withdrawal of leaving it **(TheWeek.com, 2010)**.

In March 2010, the world's largest publishing house, Random House, announced the formation of a new branch focusing on "transmedia intellectual property" (Glasser, 2010). According to the Director of Business Development, Mikita Labanok (2010), the focus is using their expertise in storytelling creation to generate narratives for several media. While they are not involved in the production process of the new media, it is a

[8] This is discussed further in [Talent System].

first step in developing the foundations for transmedial narratives and, as of this writing, they are actively pursuing partners to further their efforts. This is the first publicized effort by a media conglomerate (including the major studios) to actively pursue transmedia storytelling.

House vs Market Product

There are a couple of things to notice with regards to transmedia storytelling. First, the project is narrative-centric, not audience- or consumer-centric. Entertainment, when it comes down to it, is about artistic expression and narratives need to come from a creative source, not market research. If there is an attempt to broaden the scope of a project to please as many people as possible, there will be no inclination to return for the next installment or expansion of the storyline.

The transmedia experience effect on the consumer base serves as a distribution of risk by supplying a range of compelling stories to different consumer tastes. The consumer will acknowledge their favorite expressions, characters, and plot threads as well as their least favorite for reasons that are based in the narrative rather than the production quality. This is if and only if, the focus is on a quality product from the beginning of production. Distaste for a narrative component is vastly better than apathy. The beauty of the transmedia experience is that there are options for the consumer to experience redemption for a negative emotion caused by another installment. The death of the transmedia experience is the infiltration of apathy which breaks the consumer's interest in the entire experience.

History of Multimedia Strategies

Cross-media has, in one form or another, been in existence since antiquity when plays or poems as manuscripts were used with the intention of being read and performed (Aarseth, 2006). Arguably, the content of the Bible is one of the first examples of cross-media, used to compensate for the widespread illiteracy of the Middle Ages. The church provided the content of the Bible with multiple ways to experience the work, including the stories of Genesis and the stations of the Cross through stained-glass windows, the details of the law and ritual of Leviticus through hymns, or the 10 Commandments through paintings. Had there been only one medium for each of the books of the Bible, each contributing a perspective to the greater Biblical experience, only then could the Bible be considered purely transmedia.

Modern use of multimedia can be linked to the development of licensing. One of the first examples involves licensing in comics. After losing ownership of his highly popular comic strip, Hogan's Alley, and its star character, the Yellow Kid, in 1900 to a series of unauthorized Yellow Kid products and the blatant overuse by his publisher, creator Richard Outcault's next creation in 1902, Buster Brown, was carefully guarded against unapproved replication. Though Outcault copyrighted both the name and image, he also recognized the ancillary potentials and earned a steady source of revenue through licensing the image to products, including Buster Brown shoes. The licensing agreements did not involve any royalty or profit participation clauses but Outcault did establish that he would be the sole provider of artistic work. Outcault thus drew all advertisements and display materials that featured Buster Brown (Santo, 2006).

From a production standpoint, multimedia endeavors still require the brokerage of cross-media production that was made possible with the rise of multimedia conglomerates. Eileen Meehan in *Holy Commodity Fetish, Batman!* (1991) finds this to be an emergence of what she terms "commercial intertexts" where the conglomerates seek to find profitability by squeezing any residual value out of a creative idea by forcing the idea into other media. Avi Dan Santo expands on the intertext idea as starting with independent licensors beginning in the 1930s, and shifting to the media institutions in the 1960s and their conglomeration in the early 1970s (Santo 2006).

Rather than a product or storyline being sold to the ancillary groups through licensing, Michael Kackman claims that it is a broadly dispersed (being both a global and localized) brand. The film or television program acts as the vehicle for extending the brand and the merchandise is the primary material that is supported by the entertainment media and associated adaptations (2008). Brands were intended to supplement rather than replace existing products, a key that Walt Disney understood with the rising popularity of television. Brands instill existing products with personality. Walt Disney's ability to infuse personality into the Disney experience was deemed one of the keys to gaining a competitive advantage in moving from a goods and services company to an experience economy (Pine & Gilmore, 1999). Finally, the branding of cross-media ensured an economic viability by enforcing a generalizable and repeatable formula that ensured that the customer was familiar with the brand and hence also identified with the personal cultural identity that was associated with the experience (Holt, 2004).

Walt Disney: The Founding King of Cross-Media Production

Rising to fame through his film productions, Walt Disney was one of the most successful cross-media producers, entering the television medium in coordination with the creation of Disneyland. He had become fascinated by television since before the 1930s after seeing a demonstration by RCA. Television rights immediately became a sticking point in the negotiations on the distribution agreement with United Artists that caused Disney to sign instead with RKO. Shortly after the end of WWII, Disney applied for a broadcasting license through the FCC but later withdrew the application under the request of Walt's older and more fiscally minded brother, Roy. In 1947, Roy ordered 10" televisions for all the executives and the next year was dedicated to getting a handle on the medium. Understanding that television could be a marketing tool and was only a threat to the B-movie rather than the entire film industry, Disney created a television series, *Disneyland*, that was aligned to both the 4 major film genres and the four parks within Disneyland: Fantasyland and animated cartoons, Adventureland and action, Frontierland and Westerns, and Tomorrowland and science fiction. Each episode was filled with extensive footage from the film library, Disneyland merchandise product placement, and advertisements for new theatrical releases and theme parks.

Recognizing the synergies in the cross-mediation, Disney was able to persuade ABC to invest a half million dollars into his park in order to win the bid for the Disney television series. Despite producing a "jerrybuilt" production with a management team that knew nothing of the television production process, the show was a huge success attracting over 50 percent of the audience in its time slot. It grew to the point that even the repeats outdrew every program on television, save *I Love Lucy*. Before *Disneyland*, ABC did not have a single program in the top 25 (Gabler, 2006). The effect on the industry of such a deal and performance was clear as each of the major studios moved to produce their own associated programs including Warner Bros. Presents, MGM Parade, and The Twentieth Century Fox-Hour (Anderson, 1994).

Other than The Walt Disney Company, the first media conglomerate with a synchronized vision to create a national institution, the behind the scenes transactions of the other studios were not harmonious. Movie producers, television networks, and sponsors quibbled over the business fine print, creative influence and program forms. The development of cross-media was defined by the negotiations of licensors and their relentless struggle to demonstrate potential synergies to each constituent while crushing the consternations about overexposure, misappropriation, and copyright lawsuits (Gabler, 2006).

By conceptualizing the negotiated object that licensors traded as "branded personalities" rather than reproducible content, the relationships brokered between the different cultural sites of production became immeasurably more complex. Promoting branded personalities involved overlaying a valuable and value-laden formula onto existing products or production processes, whose institutional goals, constraints and practices were not always in line with that formula. The result was a high degree of struggle over how formulas were adapted and how continuity was maintained. As the licensing producers moved to invoke the "idealized memories" (Santo, 2006) of the brand as a means of asserting authority over the intangible products, their agreements with television, the most powerful force on the national identity, showed its influence of American society (Boddy, 2003).

The constant work and adaptation required of the independent licensors eventually made some mark on the media companies who recognized the synergies available in extending the branding concept. The momentum was killed with a push for the concentration of copyright law to the collection of royalties by individual medium (Weiler, 2006). The idea of the entertainment experience as a brand builder slowly disintegrated into a concentration on single medium content. This was the trend until the success of *Star Wars* (Lucas, 1977) and *Indiana Jones* (Spielberg, 1981) sparked the birth of the modern franchise (Santo, 2006). DiPersio and Bardach (2001) credit Steven Spielberg's *Jaws* (1975) as the beginning of the swell in marketing and advertising spend and a wide opening to hundreds of theaters at the same time. Thus the mid/late 1970s marks the growth of the medium beyond the simple movie to the heavily marketed blockbuster franchise.[9]

The birth of the modern transmedia movement was defined by technological innovation and distribution of the Internet and home computers. Dena (2006) points to 1999 as the birth year of wider transmedial productions with a web cross-over episode of *Homicide: Life on the Street* (1993) and the television mockumentary (Myrick, 1999b) for *The Blair Witch Project* (Myrick, 1999a).

Current Status of Multimedia Landscape

Technological progress has brought us to the point where digitization has made the issue less about the platform, which is translated out of the physical attributes of the performance, and into a series of bits: ones and zeros. Reproduction quality is now absolutely perfect and with essentially no marginal cost. It is now more about the channels that reach the audience or consumer. These channels are also being blurred by technological change to the point where the content can be experienced on someone's music system, mobile phone, laptop or refrigerator.[10]

Risk management

The complexities of the entertainment industry have been further complicated by the profit seeking business requirement for a return on investment. This has been a pervasive theme in the US industry that occurred around the same time as the invention

---

[9] A blockbuster franchise had not necessarily correlated to a big-budget movie until this time. Adjusted for inflation, *Jaws* is estimated to have cost $40 million (vs $55 million; the current studio budget), *Cleopatra* cost over $200 million and nearly bankrupt the studio, *Spartacus* cost $90 million, and *Lawrence of Arabia* cost $70 million (DiPersio & Bardach, 2001)

[10] http://www.hgtvpro.com/hpro/np_supplyhouse/article/0,,HPRO_22396_4759972,00.html

of movies in the late 1800s. It was the creation of the idea of the producer: someone who managed the investment in a performance to ensure that the financiers of a project would turn a profit. Prior to this, supporting "the arts" was seen as a donation that provided social status (i.e. that you were wealthy enough to support the arts) to the providers.

Obviously, with Pareto's law, the translation to profitability has not been very successful and the producing studios have shifted their attention to ensuring that bigger blockbusters do in fact turn a substantial return. Peter Bart, the former editor-in-chief of *Variety* magazine comments on how this has effected movie production,

> [What the corporate-owned studios] want most is risk-averse pictures. Now, one might say whether that in itself is a completely false aspiration. Because any work of art, or pop art, by definition, is risky. So, you have corporate suits trying to make projects that don't entail risk...[the clearance to produce] green-light decision process today consists of maybe 30 or 40 people. There's one group there to discuss the marketing tie-ins. How much will McDonald's or Burger King put up? There's somebody else there to discuss merchandising, toy companies and so forth. Someone else is there to discuss what the foreign co-financiers might be willing to put up. So, everyone is discussing the business aspects of this film, and it's sometimes unusual for someone actually to circle back and talk about the script, the cast, the package -- whether the whole damn thing makes any sense to begin with. So, I'd say generally, there's no relationship at all between that decision-making process and the one that existed barely a generation earlier (DiPersio & Bardach, 2001).

This is further complicated with the two-sided network formed by convergence that has allowed the consumer to comment on production processes either through the proposed futures market on movies (Popper & Fritz, 2010) or through the social networks that have brought a voice to the average audience person (or at least fanboys who wish to be vocal). Is there a better option to balancing the risk associated with big-budget productions than choosing specific stakeholders?

Part of the argument for transmedia franchises is the application of market portfolio theory to the media industry. The extension of narrative gives value to media platform extension while ensuring a lower beta risk due to the different investments and returns according to each medium. Unfortunately, these endeavors into revenue sharing across media have not been academically researched and are superb fodder for another work.

Another approach to risk management by ensuring a response by the market to new productions involves the idea of consumer participation. Rather than attempting to commodify consumer tastes and temperaments that most comparative studies and humanitarians have concluded is not possible (Jenkins, 2006), a better option is to open the creative input of the narrative to the crowd. In other words inviting the consumer to influence the narrative so that the final product, while not necessarily "safe," is more robust after having withstood the criticism of the market during production. While participation by fans into the narrative may not be for every production, there exists an elephant in the room for any producer who wishes to implement consumer influence into its narrative: rights management and intellectual property law.

Intellectual Property

This section introduces:

- Rights management framework and its role in protecting creative effort.
- The role of technological innovation and its effect on copyright law.
- A historical perspective on technology affecting the creative arts and legal repercussions.

A significant portion of the stabilizing force behind the business models that were created during the era of single medium production is the legal framework surrounding intellectual property (IP). With the rise of the digital era, we have come to a point where media no longer holds the implications for copyright or the ability (or desire) for a single production company to hold absolute control over any use of their IP. This section will take instances in the past and recognize the stresses on producer-consumer interactions and the legal policy workings concerning entertainment, media, and copyright.

Legal Framework for Intellectual Property

Traditionally, the constitutional and statutory creation of intellectual property law has played an indispensable role in the entertainment industry. Copyright law has served as the link among artistic creation, technological distribution, and revenue streams. Deriving from the Copyright Clause of the Constitution, copyright provides inventors with exclusive but limited-term rights to exploit their inventions commercially and encourages the "progress of science and the useful arts" by securing rights and benefits for innovators (U.S. Const. Art. 1, §8). It is intended to provide incentives for innovation by giving the originator time to recover the costs associated with the creation. Profits are not a goal but a byproduct of investment recovery. The protection is for a limited time because it is recognized to be better used by the "common good" (Weaver, 2010). As such, copyright protection cannot supersede the social benefit derived from new scientific or artistic accomplishments. Artists are able to copyright particular works to prevent duplication but they have no right to deny others the inspiration for another work created by the original. Trademark law, a weaker version of intellectual property protection, grants indefinite protection to the trade marker, with the purpose of protecting consumers from product origin confusion. There is no bright-line rule concerning trademark law; it has been subject to a multitude of fuzzy interpretations and amended over twenty times since 1946. The most significant legislation concerning trademark involves The Federal Trademark Dilution Act of 1995, which granted the "owner of a famous work" injunction relief (and on occasion damages) if others used its mark in ways that "cause dilution of the distinctive quality of the mark." The dilution is further stated to be the "lessening of the capacity of a famous mark to identify and distinguish goods and services." Lobbyists were able to include language allowing uses of a "famous" mark as fair use by a comparative commercial advertising or promotion, noncommercial use of the mark, and all forms in news reporting and commentary. *Mattel Inc. v. MCA Records*, 28 F. Supp. 2d 1120 (C.C.Cal.1998) provides some application of trademark law to the entertainment industry and possibly, future transmedia productions by finding that the song lyrics referring to the Barbie doll trademark fell into the noncommercial use exception (Weiler, 2006).

The restriction of consumer control over music was not fully enforced until the 1970s when the copying of music recordings became a violation of federal law. The law did not progress in parallel to the development of technology and, by the end of the century, the technologies symbolized by the effect brought on by Napster and its successors took the challenges to those laws to the edge of enforcement and reinvigorated vocabulary not generally associated with entertainment consumers: *piracy*. Defined as a blatant abuse of intellectual property, it is specifically the theft of the *content* of a medium especially when the secondary author has bought the primary author's work (Weiler, 2006).

A corollary to the necessity for review of copyright policy is the inclusion of cross- and transmedia convergence. Legally speaking, there should be a careful distinction between media as "content," the intellectual property that serves as the expression of an idea and served as the backbone of copyright protection within the other form of media, and the platform or "container" of the content. This is discussed further in [Entertainment as Content as Information].

Technology Infringement

The Supreme Court has thus far supported technology that allows for copyright infringement as long as it is also "capable of substantial non-infringing use." *Sony Corp. v. Universal City Studios,* 464 U.S. 417 (1984). Furthermore, the channel to the consumer with digital convergence and the rise of participatory media is a two-way street; the audience seeks to contribute to the creation. One of the most frequently cited references on the worries of cross-media legal policy involves the 1906 testimonial to Congress of composer John Philip Sousa regarding the then relatively lax US copyright system. The explosion of technologies created for the traditional distribution of music at the time did not fit well into the system that benefited the creator through their creation (rather than performance) of new work. With the appearance of the player piano and the very low marginal cost associated with reproduction, a new era of "mechanical music" began (Gitelman, 2005). The net effect of Sousa's worries was in fact an issue of anxiety over the reproduction of music generated by machine crushing the recognition of the amateur performer. As Lawrence Lessig writes in *Remix*:

> [I]n Sousa's world, ordinary citizens "read" their culture by listening to it or by reading representations of it. This reading, however, is not enough. Instead they add to the culture they read by creating and recreating the culture around them. They do this re-creating using the same tools the professional uses...Culture in this world is flat; it is shared person to person (2008, p. 28).

Lessig then quotes Henry Jenkins, "[T]he story of American arts in the nineteenth century might be told in terms of the mixing, matching, and merging of folk traditions taken from various indigenous and immigrant populations."

Lessig argues that it was at this point that society moved from one of participation or, in his tech terminology, one of Read/Write to one of Read only, where only professionals are deemed worthy, and legally-backed, to perform songs and collect profits for the sole sake of the business. The next ninety years were defined by a proliferation of mechanical entertainment reproductions to which the technology has now allowed the audience to be recognized by the creative producers. It has brought us full circle with the rise of media convergence and participatory media, epitomized by the appearance of transmedia productions.

Legal Foundations in Transmedia

The most recent exemplary legal battle involving transmedia copyright standards, and one of the few cases to make it into the legal system, involves the 1,000-page novel by Margaret Mitchell and four-hour movie, *Gone with the Wind,* and an altered perspective 200-page book by Alicia Randall, *The Wind Done Gone,* a memoir of a brand-new character Cynara, the half-sister of Scarlett O'Hara. Cynara's existence is based on Randall's creation of an affair between Scarlett's father, Gerald, and his slave, Mammy. Despite changing the names of the original 15-characters (with the exception of the slave Mammy), Margaret Mitchell's trustee, SunTrust Bank, secured an injunction barring the book's release. Three weeks later, an Eleventh Circuit panel removed the preliminary injunction and allowed the book to be sold where it performed well. The panel found that, rather than recognizing the extension of creative works that Randall portrayed through a transmedia experience and an extension of the inspiration, the case would need to be deliberated at trial. At debate was whether *The Wind Done Gone* was a parody and thereby covered by fair use doctrine as a "comment upon or criticizm *a* *priori* work by appropriating elements of the original in creating a new artistic, as opposed to scholarly or journalistic, work." Parody has long posed a challenge to copyright doctrine dating back to the beginning of the twentieth century when popular vaudeville acts often had performers impersonating popular stars by singing songs associated with the original singers. As an art, parody has long predated copyright and has appeared in the works of Shakespeare and Cervantes (Weiler 2006).

Suntrust Bank would have had to prove that the existence of *The Wind Done Gone* had reduced sales of *Gone With the Wind* by serving as a "market substitution" rather than a "critical commentary" 268 F.3d 1257 (11th Cir.2001). Whether market segments would be confused by the existence of two similar stories, or more importantly, whether market segments would prefer the narrative told from differing perspectives in order to support their own opinions leads to another issue: the rise of the sheer number of branded content associated with an individual's moral beliefs. This is a topic that is too broad for this analysis.

The antithetical views of Randall's publisher and Mitchell's trust were not able to define the legal application of transmedia entertainment when the two parties agreed to settle out of court. The agreement, which was only partially published, did state that the book would be allowed to continue to be sold but it did not specifically cover the copyright legality of any adaptation of the novel, leaving the door open to future lawsuits if *The Wind Done Gone* is adapted to another media platform.

The future of entertainment and copyright policy protection does require a different approach than what has occurred in recent events. As a rule of thumb, it is not seen as conducive for a business person or entity to, either consistently or haphazardly, sue their customers. The issue of copyright reform is most actively being pushed by Laurence Lessig (2006), who recommends five shifts in the law: (1) deregulate amateur creativity, (2) clarify and (3) simplify copyright regulation, (4) decriminalize the copy and (5) file-sharing. While the twentieth century lulled American society into "a couch-potato stupor," the twenty-first century has begun with the mark of participatory culture. Exempting noncommercial uses from the scope of the rights granted by copyrights, the deregulation of amateur creativity will ensure that audiences can begin to enjoy and relive an entertainment experience and thus, once again, become part of the brand. Of the 18 million books that Google is working to scan or Google-ize, 75 percent of the books are out-of-print but still within copyright. Since the government has not kept a registry identifying owners of copyrighted works, Lessig proposes requiring a maintenance obligation for a copyrighted work to require the author to actively register for protection after a term. If the author does not also register with its publication, the work is deemed as part of the public domain.

Lessig encourages a simplification of copyright regulation to large studios and media conglomerates. The intricacies of qualifying "fair use" requires a team of lawyers that is strictly not possible for the average user. Any amateur filmmaker who composes a montage of their favorite video clips[11] to share with their friends (a highly sought after trend desired by many marketers to generate buzz (Vollmer, 2008)), technically needs to have legal counsel to decide what could or could not be used without risk of massive lawsuits designed to chill interest in future activity. The amateur creator should not be punished for professing his/her enjoyment of the product, especially when there is little or no economic value obtained.

Finally, Lessig argues for a decriminalization of copying and file-sharing. While it may appear strange to remove "copy" from "copyright," technology is coming to a point where copying is fundamental to the platform. Multiple copies of an item are created within the hard drive, screen, and auxiliaries in the presentation of a movie or music on a computer, which is in direct violation of the current law. Legislation written around the time of Sousa's testimony, involved a specification of what kinds of uses should be regulated: more specifically, commercial uses that are in direct competition with the copyright owner's work. Essentially, all reform calls for either removing the individual limits on copyrighted material in exchange for royalties paid for freer exchange at the time of purchase, or implementing a general tax that would provide the owners with a modest royalty payment (Hay, 2009).

While the technological infrastructure is ready, the economic prospects optimistic, and the audience primed, the media conglomerates have not adapted to the

---

[11] Known in Asia as "vidding"(Jenkins, 2010)

opportunity for collaborating to produce compelling transmedia experiences. Rather than focus on profit maximizing strategies that operate within the current technological and societal environment, the media industries choose to take a confrontational approach. Even within each company, units compete aggressively. Each industry sector has its specialized talent, but the conglomerates lack a common vision or language to unify them. The current structure is hierarchical: film units set licensing limits on what can be done in games based on their properties. At the same time, film producers don't know the game market very well or respect only genre elements that rarely transfer. The original content does not need to be written specifically for transmedia production, as was the case in with the Wachowski brothers' *Matrix* franchise (Jenkins, 2006; Long, 2007) but can be adapted to include the best narrative capabilities of each medium. The current licensing system typically generates works that are redundant (adaptations that allow for no new character background or plot development), watered down (asking the new media to duplicate experiences better achieved through the old), or riddled with contradictions (failing to respect the core consistency audiences expect within a franchise). The combined effect is why some sequels and franchises have bad reputations. As we are entering an era of where content is available ad infinitum, the importance of creating a continuous narrative is that much more vital. Narrative failures may kill brands as consumers associate it with lower quality. Producers and marketers will have to work that much harder to correct narrative failures as they compete with their own previous versions. This is discussed more in depth in the next section: the application and treatment of entertainment productions in the era of convergence.

Entertainment as Content as Information

This chapter introduces:
- content as the main value driver in the convergence era.
- the importance viewing entertainment products as information products.
- the variability of time-value and its impact on marketing.

With media and digital convergence, the business models based on distribution are no longer valid for content creators. Instead, people can only base their purchasing decision on their own expected value of the product. The consumer, inundated with not only the information product but also the marketing (i.e. information on the information), has little incentive to choose one product over another. Marketers have chosen to spend more on advertising. This is an unsustainable decision that has caused marketing costs to skyrocket as each product tries to spend more than its competitor. Instead of canceling out the indecipherable noise, consumers now have louder indecipherable noise. This section of the thesis will re-evaluate how entertainment products are treated and address implications for production processes.

New Perspectives on the Entertainment Experience

"Content is King. I never want to hear that word again: content."

-Emil Rensing
Chief Digital Officer, EPIX (2010)

Content is King has quickly become cliché. It refers to a claim that most entertainment companies create something that has an intrinsic value. This value crosses multiple forms such as film, television, books, periodicals, magazines and websites. There are arguments that refute the claim that content is a value driver and is rapidly devalued as, in accounting terms, the content is permanently impaired (McIntyre, 2009). The most common counter argument is that connectivity, or distribution is king (Odlyzko, 2001).

There are two major reasons why the details of connectivity should not be a concern for entertainment ("content") creators. First, while connectivity is key to the trends in convergence in the creation of a networked media environment (as opposed to broadcast transmitter/receiver), connectivity is "nothing without content. [The internet] would be a valueless collection of silent machines with gray screens. It would be the electronic equivalent of a marine desert – lovely elements, nice colors, no life. It would be nothing." (Bronfman cited in Odlyzko, 2001). Connectivity is mutually inclusive of content and vice versa.

The second reason is the pace of technological advancement with connectivity as discussed in [Media Convergence]. If distribution is king, to push the analogy further, the monarchy is unstable and there will be many new princes of media delivery succeeding the thrown. Strategically, it is better for content creators to focus on their own core skills.

Yum! Content!

The commoditization of "content" points to a major failure in the approach to entertainment products. Very few people wake up in the morning and say, "Today is going to be a great day! I cannot wait to consume content for my own personal enjoyment. I am going to get out of bed, make my coffee, turn on the television to purchase and consume some content in motion, check my laptop for the latest RSS feed of content, and bring in paper content from my doorstep for which I subscribe daily. Perhaps tonight I will go to the exhibition location and consume content with popcorn and soft drinks."

The value that consumers see in information products lies in the circumstances of individuals. A story offers no value it if does not relate to the audience. As Aarseth states,

> [Content] usually signals the importance of something other than that to what it refers--often the container. Those who actually focus on the content--for example, a professor of literature or visual arts, would never use the word to describe their object: the content of Shakespeare or the content of Botticelli. Rather, it is used when something other than the content is the main focus, such as the medium and its material, or technological, social, or political conditions (2006, pp. 204-205).

Content providers are suppliers of information. Certainly, it is information based in hermeneutic codes that tells the audience how to react and what to feel. Without the codes, content is nothing more than informing someone about a first- or third-person scenario. As Aida Hozic is quoted in Grainge, movies are "commodities among other commodities inextricably entwined with the world of consumption" (2008, p. 15).

By viewing the entertainment industry as an information product, we are better able to realize entertainment's product in the convergence era. Accordingly, the foundation of information products is built on a business model that, until recently, has relied on one medium that is centered around scarcity to create value (Shapiro & Varian, 1999) and involve high fixed development costs with substantially lower marginal distribution costs (Hart, 2006). We are currently in a paradigm shift of recognizing entertainment products as information goods. The shift started at the turn of the millennium but has failed to make an impact on the production strategies for the majority of the entertainment/media industry. For example:

Periodicals:[12] Newspaper publication has relied on restricting the information (content) it provides through the medium of newspapers by which the consumer needs to purchase in order to obtain. Collapse the medium to a point where everyone can consume the information (i.e. digital convergence) and the distribution business model collapses. There remains a demand for the information and a plethora of media to transfer it but no successful means of monetizing the cost of sourcing the information (i.e. reporting).

Movies: Information as visual storytelling. The filmmaker creates a story whose meaning is grounded in a culture's symbols and myths.[13] While they arguably have longer lifespans than the information in periodicals, the information that is provided by the ambience of the film (style, costumes, etc.) are time sensitive. Comedies are also notorious for not crossing cultural boundaries because humor is so sensitive to cultural

[12] Though periodicals are not usually narrative-based, the massive circulation/advertising decline warrants commentary.

[13] For example, a Bollywood film, to the Anglo-American eye, means something completely different to the Sub-Indo culture: a man and woman dancing around a tree is humorous if not confusing to the average American but is a symbol of consummation to the Indian.

interpretation. Distribution and production studios are consistently playing with medium windows in an attempt to optimize movies' value across platforms.

Entertainment and media creators need to readdress the product and/or service they provide as an information product. Information will remain bound to a physical medium because any transfer to the consumer requires a physical infrastructure. With media and digital convergence increasing in speed and scope, little can be done to predict the next stable ground to build a business model based on one medium. The issue at hand for the industry is that they are no longer in control of, or sometimes even associated with, the infrastructure of media delivery. Music has been separated from the CD, tape, 8-track, and record.

In order to understand the landscape of the entertainment industry, we need to first analyze the characteristics of information products.

Authors have focused on different details of information products within the digital world. Hart has traced the historical definition of information products starting with Tapani Kilpi, who used Kotler's general definition of a product, naming three components of software products: the software (information), the belonging support service, and the idea behind the product. Information products and their environment were then supplemented by Hass (2006), who defines media or information products as marketable products or services that can be decomposed into a technology-based media layer and a virtual information layer. The 2-layer model is based on Nicholas

Negroponte's atoms and bits differentiation whereas products and vision of all media will be digital in the future (Negroponte, 1995). The Negroponte model, as mentioned earlier, is one of the driving forces in the explanation of media and digital convergence.

The continued existence of medium-specific production companies shows the lack of adaptation that the entertainment industry has had during the era of convergence. Despite the fact that each of the major entertainment and media companies have built themselves into multimedia companies, very little has been accomplished in organizing production to build a comprehensive front of products in the entertainment world. This is likely due to the system of studios serving as gatekeepers to a plethora of independent creative efforts and the Read Only status of creative intellectual property rights. It is common practice for creators to systematically kill any attempt to build ancillary products or markets rather than see opportunities for collaboration. Disney, in particular, is known for being ruthless with lawsuits against any unauthorized presentation of their material for daycares and businesses let alone collaborative production (Lessig, 2008; Wiese & Simon, 1995). Independent producers not associated with the big studios are even less likely to participate in a transmedia venture due to their smaller budgets and primary goal of being widely distributed. The idea of networked entertainment products are often only utilized if one of the players is substantially larger than the counterpart (e.g. Lucas films carrying extreme weight in the science fiction genre) and forces ancillary production companies into a financially submissive revenue distribution system, or the rights are coordinated for release with limitations on the creative concept to the point where it no longer augments the narrative. A video game based on a film or book, may not add any narrative value to the entertainment experience and the consumer's decision to purchase it is based on a very loose affiliation to the core product.

Time Management

Information products are viewed as value/time-dependent (Brynjolfsson & Saunders, 2010; Hart, 2006). Information such as current news and financial performance is seen to have shorter life span in the general population but if it remains available, may increase in value again as demanded for historical or statistical research or sampling. The digitization of information has allowed for researchers to easily gather data and for musicians to sample music from earlier decades. Fashion, technological development, and a lack of understanding of cultural underpinnings will also affect the value of an entertainment product but, again, are subject to revivals with the rise of "retro fashion" or a desire for authenticity with an increased rate of turnover in technology (Gilmore & Pine, 2007; Gitelman, 2006). While the value of the information fluctuates, with digitization the availability of it does not. Digital information is immortal and can be accessed through a variety of media.

Sunk Development Costs

Creation of information in the entertainment industry is usually associated with intense upfront capital expenditure (Albarran, 2002; De Vany, 2004; Küng, 2008; Moul, 2005). The creative and collaborative process is not formulaic nor easily standardized and any artistic decision is often made to test the boundaries of expectations. Since the marginal/reproduction costs are not nearly as high as the development costs, there are pressures for economies of scale to play in important role in a wide release of a product. This is one reason why small, independent niche movies are more interested in a wider theatrical distribution than making ventures into transmedia narratives.

Marketing Information Products

Varian (2000) lists several means of marketing information products that are seemingly based in entertainment products: copying, sharing, reselling, and renting and later expands these marketing tools in *Information Rules* (Shapiro & Varian, 1999) with the network effect. As more people choose to consume an information product, there is a natural inclination to utilize media platforms that operate with that same information product. There are also cascades that can appear as people and social networks follow information (and narratives) that they are familiar with or that they assume others are using. Hart writes, "the power of 'social network effects' should not be underestimated, as satisfied customers often promote a product on their own free will because of the value it provides them" (2006, p. 42).

Transmedia Production Process

This chapter introduces:

- the role of leadership and management that transcends the traditional role of medium-specific management.
- 3 challenges to managing transmedia:
    - refocus production to the narrative
    - understanding the characteristics of each medium
    - balancing control of medium-specific production crews expertise versus centralized canon
- the role of technology in production coordination.
- addressing changes in technology for entertainment delivery.

Ventures into transmedia production create new challenges for the producer and leaders in creative industries. This section addresses two significant realizations that need to be addressed in the production process in the convergence era: leadership and its role in management of the creation and narrative, and technology in its role in organization and future media platform selection.

Leadership and Managing the Creative Vision

While some of the first ventures into multimedia franchises such as *Star Wars* (Lucas, 1977), *Indiana Jones* (Spielberg, 1981) and *The Matrix* (Wachowski, 1999) have emerged around a single creator of a strong creative unit, leadership research suggests that hierarchical, paternalistic management styles stifle creativity. It is important to have final authority within a group of leaders but also important to establish an environment conducive to the creation within the larger creative team (Küng, 2008).

The system of creative management in transmedia can be expressed in a variety of ways with differing media ranging from major investments in expanding the storytelling and primary character development through television and cinema (*e.g. Terminator: The Sarah Connor Chronicles*), to expanding secondary characters or recasting stories through print (e.g. *The Wind Done Gone*). The low end of the production complexity spectrum includes comic books that can connect story lines between larger investments (Kevin Smith's *Clerks* series) or even a website that gives extended reactions from characters and blog reactions from the audiences.[14]

To the slightly jaded Hollywood executive whose daily life consists of handling the egos and creative control of entertainment products, realizing the challenges of coordinating narrative across media platforms may seem all but impossible. By refocusing perspectives on the greater narrative instead of the individual medium, the creative management will be able to realize the vision of the end product while also clarifying their role in the narrative production. Thus the challenge of production for transmedia can be established. This challenge is three fold. First, the focus of production needs to change from the medium to the narrative. Second, transmedia producers need to have a solid understanding of the attributes each medium will be contributing to the narrative. Finally, collaborative leadership should be extended to associate and line producers who know how to create (or manage creation) best using a specific medium.

Producing to the narrative appears to be a vast oversimplification of everything that occurs in entertainment production but it is a fairly simple concept that is often lost

[14] Multiple sitcom television shows are utilizing this including The Office and 30 Rock.

in the hustle of the creative flow. Collaborative leadership is not an unknown concept in modern entertainment. The first movies were shot, edited, and put to music by a very small number of people, while current production credits extend well into the hundreds.[15] The role of entertainment transmedia producer is one of a collaboration with others. Kung (2008) finds that the best leaders in media tend to lead *with* others, supplying the vision while others supply the expertise. It is when the leadership styles change to one based in hierarchy and authority and lose their support structure that the direction of the production falters. Further research into this area is warranted as well as an extension of Smaili's work (2009) into media leadership, on the role of praise and peer awards leading to mismanagement and fraud due to the lack of resistance collaborative managers have when they receive significant peer praise.

Technology

We have seen the effect of technology as a breaking force in business models in media (and other) sectors. For this section, we will explore the trends and effects of technology on the production process for transmedia narratives and survey a new media selection process.

The separation of content from media delivery platforms has enabled production companies to store digital information products in a media-independent form in central locations during production, and to reintegrate segments of the product from multiple

[15] Pro.IMDb.com lists 5 people for the crew for the 1903 short *The Great Train Robbery* (Porter) while *Avatar* (Cameron, 2009) lists 5 production companies, 17 special effect companies, and 27 "other" companies.

sources with different media types to create a variety of information products distributed over various channels afterwards. This centralized storage approach will allow for the production team from each medium to verify their narrative vision with the greater core vision while also providing a cost efficient means of adapting to new media delivery technologies that become vital during the production process.

By centralizing production around the narrative, the production companies are able to develop a strategy for the environment-in-flux. As technological change is always present in the media field, and has only increased in speed and size with convergence, the need to strategically and organizationally respond to such developments will ensure that the entertainment product and its business model remain viable.

The role of new technologies and their adaptation boils down to a classic example of technological determinism versus social constructivism: whether technology drives social change or if there is a social need that new technology answers. It is a debate that has been fought for many years and still contains dedicated members on each side. Rather than continue this fight, it is easiest to place the technological advances into two categories: deviation from the current technological frontier and deviation from the customer segment frontier (Küng, 2008). The further away from each frontier, the less likely is quick adoption by the market. A new technology that has no relation to the previous technologies implies the development of too many secondary connections for quick adoption. If a personal computer is invented that runs on a completely different operating system, its implementation will be hindered and there will not be a support system for conversion, networking, etc. Likewise, if the new technology is unlike anything that the customer has seen before, they will be reluctant to adopt something that requires additional effort to learn (e.g. a new keyboard input device that types with your toes as you walk).

As we are currently in the very disruptive era of convergence, I will not cover approaches to incremental, or sustaining, improvements to media and focus only on transformational developments. It is important to note that the developments do not need to be massive diversions from the current technological frontier but rather new delivery technologies that often lead to similar product categories (Christensen, Johnson, & Rigby, 2002). The most substantial effect is the brain drain that occurs as older technological expertise is wiped out, destroying the managerial competitive advantage. The existing management does not know how to monetize the traditional model given the failure to adjust to the market. As new products move upstream and gather market share, popularity, and attention of the supply of capital, the established manager is too late to adjust his/her model and be educated on the new market.

Transmedia storytelling is able to rise above the riptide of technological currents by maintaining the narrative regardless of the popularity of a delivery technology. Research & Development of a new business model can actually be utilized with new media and gain a competitive advantage over other information products. This is because the extension of the narrative has modified the experience goods definition so that the consumer has a knowledge base for the entertainment product. Smaller ventures into new platforms will allow for tests that will develop managerial knowledge of the platform for later, larger projects or non-transmedia ventures.

Marketing Entertainment

This chapter introduces:

- how transmedia overcomes the experience good dilemma through brand extension.
- implications on product lifecycle marketing of immortal goods.
- product placement and reverse product placement and their role in transmedia products.
- participatory involvement to utilize social marketing.

Experience Goods

A major issue that has defined the challenge of entertainment marketers is that they are what Shapiro and Varian (1999) call experience goods. In other words, the consumer is ignorant about the value of the product until they have already experienced it. The traditional means of overcoming the experience goods dilemma has been to allow sampling or previews of the product: trailers hint at upcoming attractions; Barnes & Noble and Borders bookstores allow customers to sit and peruse a book before buying it; iTunes allows customers to listen to 30-second samples.

Transmedia overcomes the experience goods dilemma by creating an association from other media while also extending the narrative to add depth. It is the application of brand extensions to information products. Marketing in transmedia is thus focused on the initial installment launch and the communication of narrative extensions through other media.

Product Lifecycle Marketing in the Era of Convergence

In an era where information is immortal, the standard concept of lifecycle management is no longer valid. Entertainment products will continue to have a lifecycle. They may decay with their carrier medium. They may decay as technology advances and standards and customer expectations rise. They may go out of fashion, be replaced by new and improved versions, or become obsolete. The challenge comes from the fact that the standard indications of a product at the end of its lifecycle are no longer applicable. Music from one year ago may no longer be popular, but there will be classic rock (10-30 years old), oldies (30-50 years old), and classical (100+ years old) music that generates a strong market demand and picks up products that were deemed less valuable.

There is a lack of research into the fluctuations in popularity of entertainment products. Regardless, there are a few lifecycle management tools that take into account the immortal existence of information while also recognizing the changing demographics of the consumer. One such tool is the use of generational marketing. In this case, a narrative is reinvigorated for the next generation of consumer while taking into account the role of the original. An example of this would be a children's story that is extended 10-20 years in the future with the purpose of capturing the attention of the former child/new parent and to expose their own child to the story. Marketing would thus be focused on both parent and child. This may have been attempted in the recent cross-media story of *Where the Wild Things Are* (Jones, 2009), though the adaptation failed in the market and among critics because it muddled its focus as a narrative for adults rather than a kid's story that could be enjoyed by adults.

A second option for lifecycle management is what Frédéric Dalsace has termed *Potterian Marketing* (Dalsace, Damay, & Dubois, 2007), named after the narrative strategy used by J.K. Rowling in the *Harry Potter* series (2007). Although this is a newly coined marketing term, as an entertainment strategy, it has been around for a while (see Laura Ingalls Wilder (1943)). In this strategy, each installment ages the characters in correlation to the aging of the reader. Within the convergence context, a consumer will be able to age with the characters and relate to them as they come of age with each *Harry Potter* installment. The series is limited to seven installments so as not to dilute the core narrative with overly complex plot extensions. A new consumer is thus able to easily enter into the narrative, age with it, and move on to other narratives that are more age appropriate. The limited installments in the series overcomes the problem that comic books have run into: their long narratives make entry a daunting task since the consumer knows that they have to give a lot of effort to catch up to the current narrative. An obvious criticism of this approach is the lack of development time once the series is published. The original release of the *Harry Potter* series was spaced over at least one year (which is the age increase in the characters), concurrent fans have access to all 7 books without the requirement to age themselves accordingly. Whether this would make an impact at the end of the day may dismiss this problem altogether.

Product Placement

The influence of corporate product placement has been a growing concern among the creative minds of the entertainment industry since well before Drew

Barrymore handed the branded *Reese's Pieces* candies to the alien in *E.T.* (Spielberg, 1982). Product placement is often credited with rebuilding the brand into a successful candy franchise (Squire, 2004).

The temptation for sponsorship to provide financial supplements to the production process is often too great to withstand the efforts to appear non-biased. Though, in the era of convergence, the implications of building a stronger entertainment brand address additional factors to be kept in mind. Using *Lost* (Abrams, Lieber, & Lindelof, 2004-2010) as a case, we can see the negotiating power a strongly branded production can have over the products.

Johnson writes:

> Because (the antagonist organization/character) Dharma manifests itself primarily as an institution, Dharma-brand products prove integral to the producers' plotting and world-building efforts. Marked goods like automobiles and alcohol render the faceless Dharma visually tangible as a narrative agent; the integration of real-world products instead would superficially trade story-world depth for a quick buck. Nor could producers easily have their cake and eat it too by stocking those Dharma hatches with name-brand products for the castaways to consume; while producers may have indeed recognized the potential for product placement inherent in the second season introduction of the hatches, the contingent, indefinite nature of the Dharma Initiative would mitigate its attractiveness to potential sponsors (2009, p. 30).

Johnson continues to explain that the challenges associated with turning away product placement money drove the producers and marketers to experiment with new forms and strategies for promotion, storytelling and the extension of fictional brands into real world merchandising, such as the extension of Dharma-logo emblazoned apparel that allowed fans to promote their antagonist/protagonist relationship to other fans through the codes of the characters in the show.

The individual brand may grow strong enough that it can self-sustain itself as a promotional tool for the narrative. Johnson refers to a market demand for the same *Lost* branded candy bar, *Apollo.* The creation of the restaurant chain *Bubba Gump Shrimp Company* as an extension of the film *Forrest Gump* (Zemeckis, 1994) also serves as a reverse product placement success.

Social Marketing

I have covered several instances of the importance of the social network in the era of digital and media convergence. In this section I will address the social aspects of the effect of convergence and the means of capturing the new found forces of social media networking in the creation of self-perpetuating or buzz marketing.

Henry Jenkins covers the empowerment of the consumer and fan by the new two way street and network effect:

> Convergence is both a top-down corporate-driven process and a bottom-up consumer-driven process. Corporate and grassroots convergence reinforce each other, creating closer, more rewarding relations between media producers and consumers. Sometimes, these two forces are at war and those struggles will redefine the face of American popular culture" (Jenkins, 2006, p. 18).

The mistrust that challenges the creator/fan relationship is a major blocking point to the utilization of the marketing power social networks have. By allowing fans to participate in the narrative creation either through contributions to the story or interactions with the characters in specific media such as video games, marketers can more wisely spend their marketing budget to create a brand community to perpetuate the narrative to new markets through social networks and expand consumer loyalty.

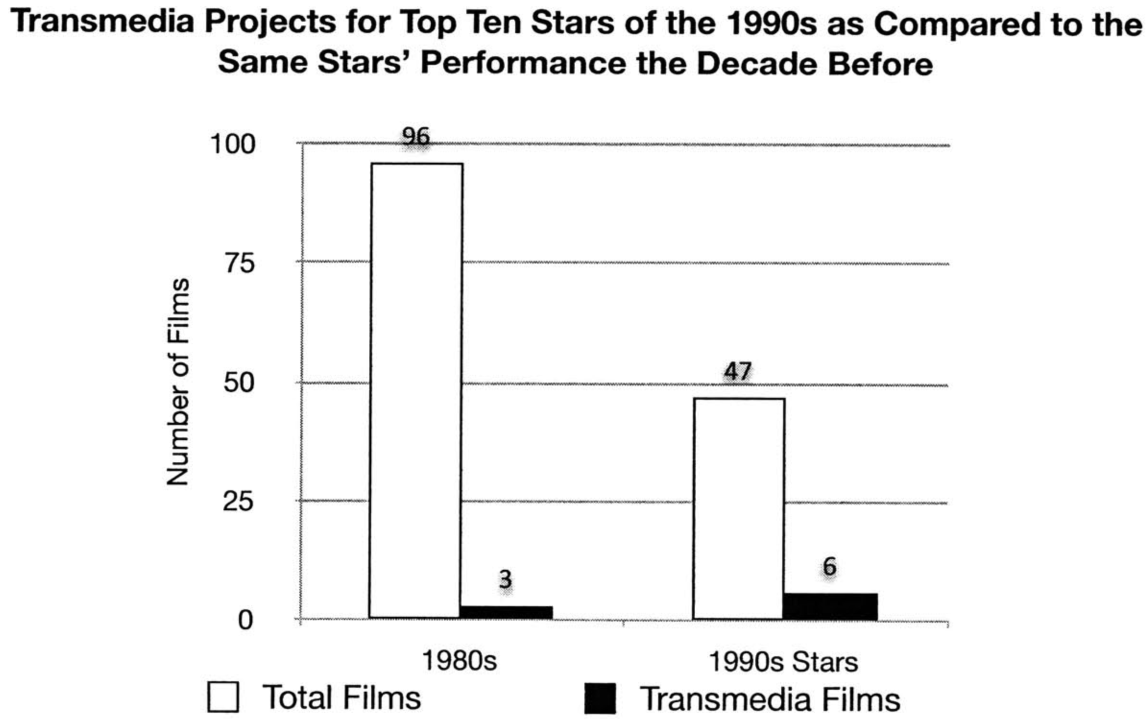
Threats to the Status Quo and Implications for the Future

We have discussed the threats caused by the changing technological and consumer preference landscape but it is also important to address some of the keys for change to the historical production system.

Talent System

The transition from theater to cinema marked the continued importance of the role of talent in entertainment. Much of the legitimatization of the film industry in the U.S. was the cross-over of respected vaudeville and theatrical talent. The growing importance of talent was marked by the birth and rapid grow of the agent system. But the recent trend for franchise brands over A-list talent will only further the divide between the goals of the producers to create a comprehensive entertainment experience and the limitations and costs usually associated with stars (Wagner, 2009). When a narrative is told with more than one medium, the ability to substitute for lower grade talent who will grow with a longer term project will become more enticing.

There is little threat to the talent system as a whole but rather to the type of packages and talent that agents compile. The increased value of ensemble casts, where some (or all) main characters will be able to support their own plot and storyline, will make packaged multi-project casting more important with the growth of transmedia projects. As shown in the graph below, the impact of franchises can be seen. While there are still stars that are a part of the pre- and post-convergence turning point, a growing number of top returners are parts of franchises.



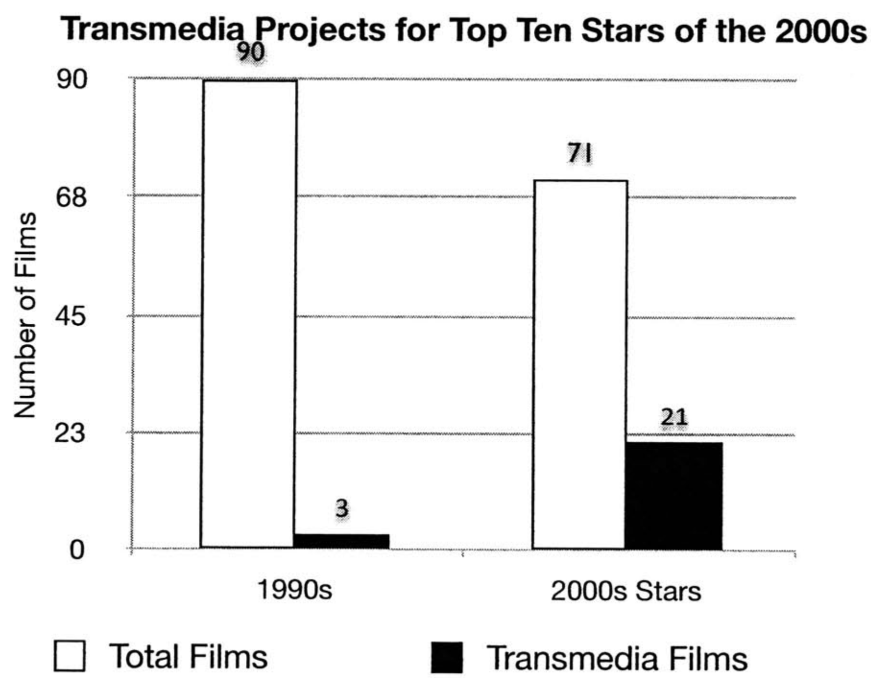


Figure 6.1: A comparison of the top ten stars[16] of the 1990s and 2000s and the number of projects that are considered transmedia. Original productions that later became transmedia are included. See Appendix D for a list of titles.

---

[16] According to http://movies.toptenreviews.com/

Conclusion

The ability to create transmedia productions provides a deeper experience for the consumer. The application of the entertainment franchise combined with the technological ability to produce a multimedia entertainment product better utilizes the features of the current market landscape. Though transmedia productions will not (nor should they) replace traditional entertainment products, they are likely to make an impact both artistically and financially on the entertainment industry.

The era of convergence is marked by the digitization of information and the separation of content from its delivery medium. There are significant implications for the production and marketing of entertainment including the redefinition of the lifecycle, the ability for participatory input and marketing, and a refocus on narrative-based collaborative production teams. The necessity to view entertainment products as information products will allow for a greater latitude for adaptation and responsiveness to new media delivery platforms.

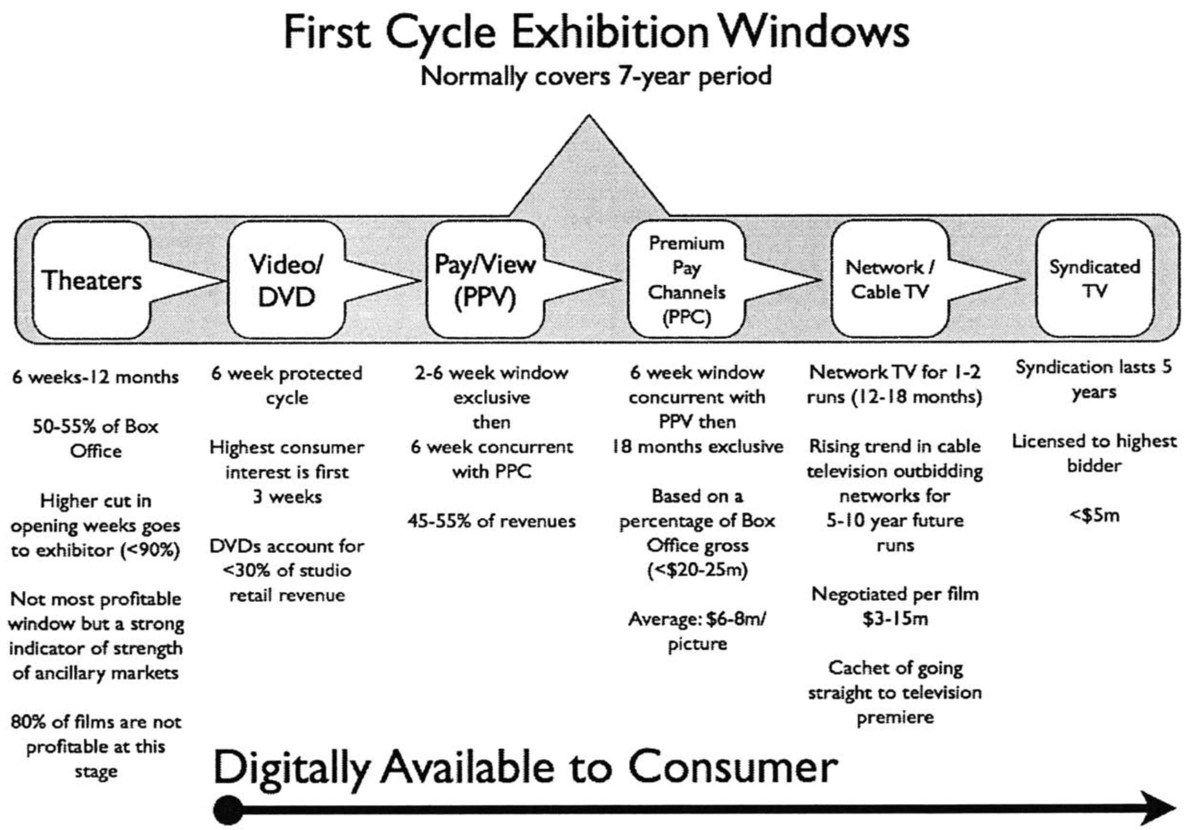
The history of media production, founded in the guilds of feudalism, has moved to technologically specific schools that concentrate on controlling the medium for artistic and communicative expression. With digital and media convergence, we are moving to a new era of media production where the producers work side by side learning each other's vocabulary and skills to create a greater narrative and a deeper experience for the audience.

The effect of convergence and transmedia productions has already made an impact on the industry as the long-tail has grown and franchises have marked new levels of revenue. As production houses evolve to recognize the opportunities in transmedia creation, they will better utilize each component and make the experience for the consumer that much deeper. New generations will grow up entirely within a convergence landscape and will come to expect a standard of quality across each platform. Productions houses should begin to recognize the need to manage across the medium to ensure that the storytelling experience is the focus of the next entertainment creation.

Appendices

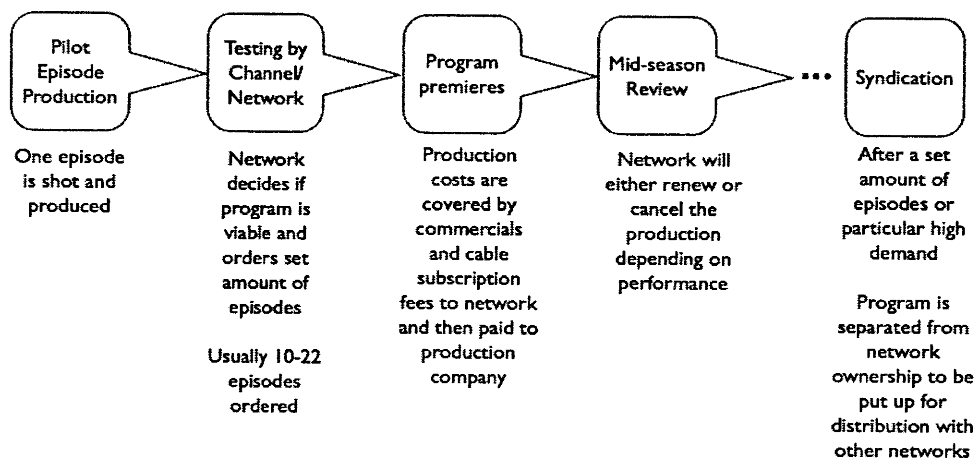
Appendix A: Traditional Life Cycle and Delivery Channels for Narrative Media

Film:



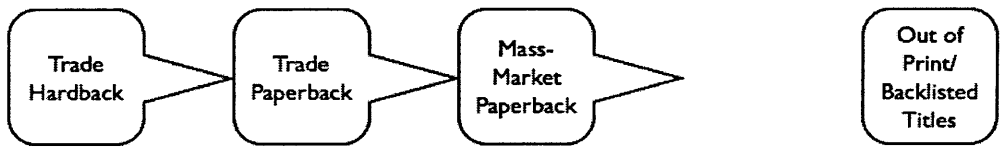
Television:

US Domestic Broadcast/Cable Market



Books:

Primary Market



Trade Hardback

I year exclusive

Digital

Trade Paperback

Comes out within a year of hardback

Mass-Market Paperback

High-volume

Low-cost

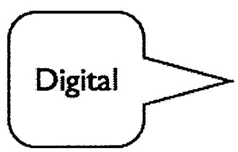
High distribution costs

Used only for hit products

Out of Print/ Backlisted Titles

Reduces costs of overprinting

Responsive to demand

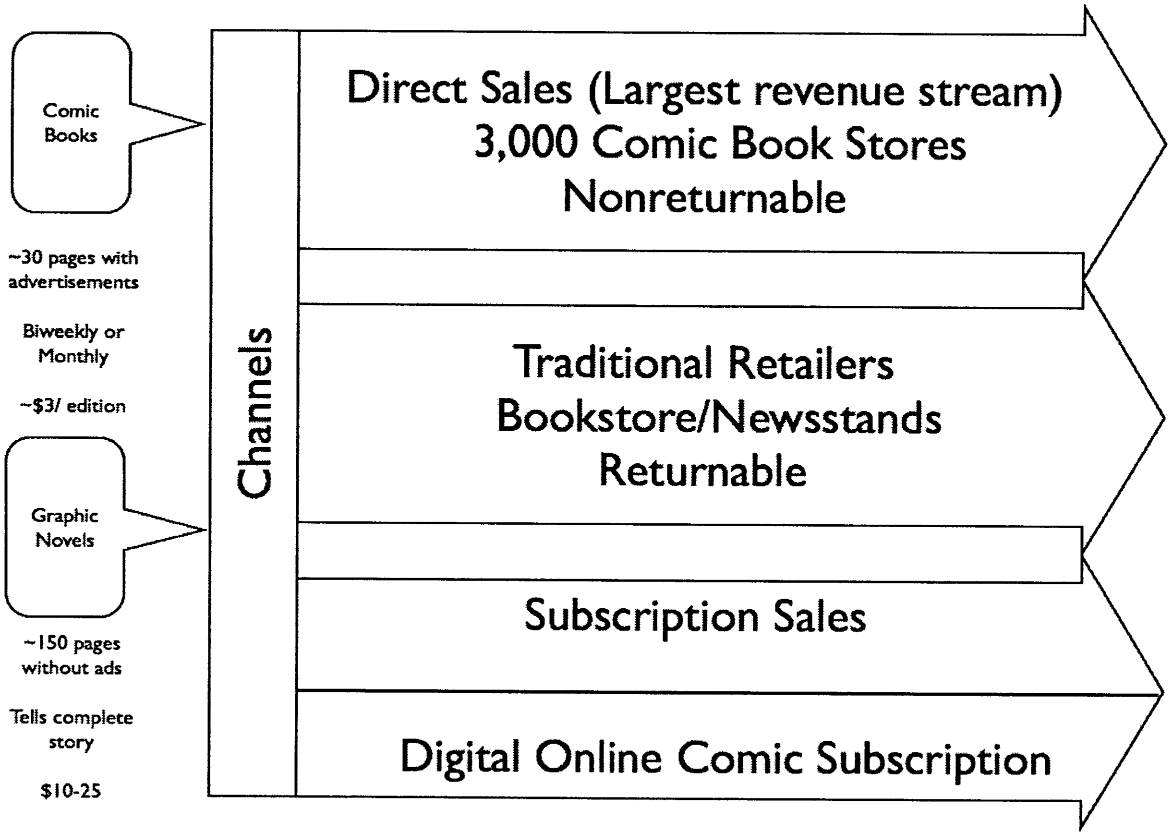


eInk sales are rising

Online sales can increase print sales

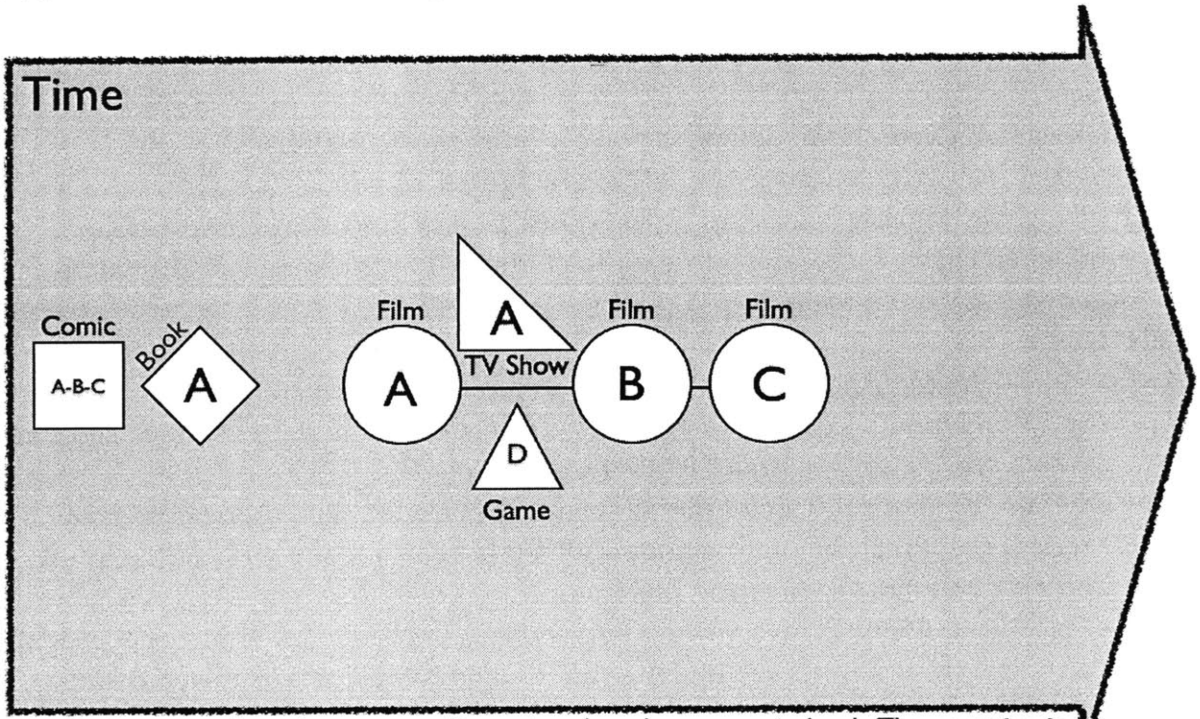
Business models are still in development

Comic Books:[17]



[17] Video game distribution is similar to comic books with the exception of digital sales

Appendix B: Cross-Media Diagram



A visual presentation of a cross-media venture based on a comic book. The narrative is expounded upon in the book and copied for the film trilogy. The TV show repeats the narrative. The game lacks association to the narrative.

Appendix C: Current Media Platform Attributes

Below is a partial list of common current media platforms and their attributes for relaying narrative.

- **Movies:**
  - High-capital expenditure defines canon for other media platforms.
  - *Length of play:* Productions in the 2000s average 129 minutes.
  - *Trending:* Blockbuster franchises (fewer films, greater marketing costs). Studio productions drive most large releases. Talent (star) system being substituted by branded franchise systems.
- **Television:**
  - Episodic delivery (Rollings, 2003): Occurs in three main forms:
    - Series: A limited sequence of episodes. Each episode is a self-contained story in which one major plot strand is resolved per episode.
    - Serials: Theoretically an infinite sequence of episodes. Similar in nature to a series except that the plots are not resolved in coordination with each episode, no overarching storyline, and no closure.
    - Episodic delivery: A mix of series and serial. A limited number of episodes with an overarching storyline with fairly tight integration between episodes and a significant overlap of plot.
  - *Length of play:* Averages 15-20 episodes/season (USA). Usually 22 minutes (30 minutes with advertisements) or 44 minutes (60 minutes with advertisements) of programming.
  - *Trending:* Programming focused on more specific markets with the rise of specialty cable television stations (older affluent women (Bravo), alpha males (SPIKE), etc.).
- **Books:**
  - Narratives not limited to linear presentation because there is no visual component.
  - *Length of narrative:* 60,000-120,000 words/book[18] read at 200-400 words/minute = 2.5 - 10 hours to complete.
  - *Trending:* Novels are trending shorter (50,000-80,000). Increased use of digitized publishing (eBooks). Rise of the blockbuster novel (a lot of resources on a few titles).
- **Live Theater**
  - Offers an "authentic" experience due to personal experience with performers.
  - Often mixed-format: musical, theatrical, dance.
  - Highly structured production system with high fixed costs re-enforces hit system.
  - *Length of narrative:* 1.5 - 3 hours.
  - *Trending:* Blockbuster Broadway productions by media corporations. Broadcast performances to satellite theaters.

---

[18] Novels

- **Games:**
  - Usually an episodic series [see television].
  - Traditionally thought of as video games but also includes other forms of interactive play.
  - First-hand interactivity where the narrative unfolds in conjunction with the player's actions.
    - Allows consumer to become emotionally involved with a character due to having "control" over the character's actions.
  - *Length of play:* Averages 6-12 hours of gameplay.
  - *Trending:* Moving ever closer to the film sector with more realistic imagery, complex plot lines, and deeper narrative.
- **Comic books:**
  - Highly episodic series [see television].
  - *Length of narrative:* 10-20 minutes for comic book. 30-60 for graphic novel.
  - *Trending:* Multiple series aimed at different audiences to allow for consumer entry.
- **Web content:** A generic term for products posted on webpages, mobile devices, etc.
  - Have been used for "intense" fans who have not been able to get enough experience through the standard product medium.
  - Clips and segments are often used in social networks to share the experience among friends / colleagues.
  - *Trending*: Iconic example of "content is converging." Traditionally small segments of narrative (e.g. webisodes, clips, YouTube) have extended to full-length episodes (Hulu, Fancast, etc.).

Appendix D: Transmedia Projects by Top 10 Stars of 1990s and 2000s

Stars of 1990s

Tom Hanks	**Meg Ryan**	**Sigourney Weaver**	**Kate Winslet**
Toy Story	Courage Under Fire	The Ice-Storm	Titanic
Saving Private Ryan	Anastasia	Copycat	Sense and Sensibility
Apollo 13	Sleepless in Seattle	**Galaxy Quest**	Heavenly Creatures
Toy Story 2	You've Got Mail	**Ghostbusters II**	Hamlet
Return with Honor	City of Angels	**Aliens**	
The Green Mile	The Doors	**Ghost Busters**	
Forrest Gump	Restoration		
1990s: 3 out of 7	*1990s: 0 out of 7*	*1990s: 1 out of 3*	*1990s: 0 out of 4*
1980s: 0 out of 13	*1980s: 0 out of 9*	*1980s: 3 out of 10*	*1980s: 0 out of 0*

Michelle Pfeiffer	**Kevin Spacey**	**Laura Dern**	**Tom Cruise**
Age of Innocence	American Beauty	October Sky	Magnolia
The Prince of Egypt	A Bug's Life	**Jurassic Park**	Jerry Maguire
Batman Returns	Glengarry Glen Ross	Wild at Heart	Eyes Wide Shut
One Fine Day	L.A. Confidential	Citizen Ruth	
	Se7en	A Perfect World	
	The Usual Suspects		
	The Negotiator		
	Midnight in the Garden of Good and Evil		
1990s:1 out of 4	*1990s: 0 out of 7*	*1990s: 1 out of 5*	*1990s: 0 out of 3*
1980s: 0 out of 14	*1980s: 0 out of 5*	*1980s: 0 out of 9*	*1980s: 0 out of 13*

Daniel Day-Lewis	**Meryl Streep**
Age of Innocence	One True Thing
Last of the Mohicans	Marvin's Room
The Crucible	
In the Name of the	
The Boxer	
1990s: 0 out of 5	*1990s: 0 out of 2*
1980s: 0 out of 9	*1980s: 0 out of 14*

__**Stars of 2000s**__

__**Cate Blanchett**__
Lord of the Rings: Fellowship
Lord of the Rings: Return
Lord of the Rings: Towers
Notes on a Scandal
Curious Case of Benjamin
The Aviator
Indiana Jones & the Kingdom

2000s: 4 out of 7
1990s: 0 out of 10

__**Emma Watson**__
HP & the Prisoner
HP & the Goblet
HP & the Sorcerer
HP & the Chamber
HP & the Order
HP & the Half-Blood
Tale of Desperaux

2000s: 6 out of 7
1990s: 0 out of 0

__**George Clooney**__
Good Night & Good Luck
Up in the Air
Michael Clayton
Fantastic Mr. Fox
O Brother, Where Art Thou?
Spy Kids
Confessions of Dangerous
Batman & Robin
2000s: 1 out of 7
1990s: 1 out of 13

__**Catherine Zeta-Jones**__
Traffic
Chicago
High Fidelity
Intolerable Cruelty
The Terminal
Ocean's Twelve
America's Sweethearts
Sinbad: Legend of the Seven
The Adventures of Young Indiana Jones
The Mask of Zorro
2000s: 0 out of 7
1990s: 2 out of 9

__**Matt Damon**__
The Departed
The Bourne Ultimatum
The Bourne Supremacy
Confessions of a Dan
Ocean's Eleven

2000s: 0 out of 7
1990s: 0 out of 11

__**Renee Zellweger**__
Chicago
Cinderella Man
Nurse Betty
Bridget Jones' Diary
Cold Mountain
Down with Love
Miss Potter
White Oleander

2000s: 0 out of 7
1990s: 0 out of 14

__**Christian Bale**__
Dark Knight
Batman Begins
3:10 to Yuma
Rescue Dawn
The Prestige
I'm Not There
American Psycho
The New World
2000s: 2 out of 7
1990s: 0 out of 12

__**Michael Caine**__
Dark Knight
Children of Men
Batman Begins
The Quiet American
The Prestige

2000s: 2 out of 6
1990s: 0 out of 13

__**Scarlett Johansson**__
Lost in Translation
Ghost World
The Prestige
Match Point
In Good Company
Girl with a Pearl Earring
Vicky Cristina Barcelona
The Island
2000s: 0 out of 8
1990s: 0 out of 8

__**Daniel Radcliffe**__
HP & the Prisoner
HP & the Goblet
HP & the Sorcerer's Stone
HP & the Chamber
HP & the Order
HP & the Half-Blood
The Tailor of Panama
December Boys
2000s: 6 out of 8
1990s: 0 out of 0

Bibliography

Aarseth, E. (2006). The Culture and Business of Cross-Media Productions. *Popular Communication, 4*(3), 203-211.

Abrams, J. J., Lieber, J., & Lindelof, D. (Writer). (2004-2010). Lost. In B. R. Productions (Producer). USA: American Broadcasting Company.

Albarran, A. B. (2002). *Media Economics: understanding markets, industries and concepts* (2nd ed.). Ames: Iowa State Press.

Anderson, C. (1994). *Hollywood TV: the studio system in the fifties.* Austin: University of Texas Press.

Anderson, C. (2006). *The Long Tail: How Endless Choice is Creating Unlimited Demand.* London: Random House.

Barthes, R. (1974). *S/Z.* New York: Hill and Wang.

Boddy, W. (2003). Redefining the Home Screen: technological convergence as trauma and business plan. In D. Thornburn & H. Jenkins (Eds.), *Rethinking media change: the aesthetics of transition.* Cambridge: MIT Press.

BoxOfficeMojo.com. (2010). Yearly Box Office. Retrieved March 20, 2010, from http://www.boxofficemojo.com/yearly/?view2=domestic&view=releasedate&p=.htm

Brynjolfsson, E., & Saunders, A. (2010). *Wired for Innovation: How information technology is reshaping the economy.* Cambridge: The MIT Press.

Burton, T. (Writer). (2010). Alice in Wonderland. In J. Roth, J. Tod, S. Todd & R. D. Zanuck (Producer). USA: Walt Disney Pictures.

Cameron, J. (Writer). (2009). Avatar. In J. Cameron & J. Landau (Producer). USA: Twentieth Century Fox Film Corporation.

Choi, S.-Y., Stahl, D., & Whinston, A. (1997). *The Economics of Electronic Commerce.* Indianapolis: Macmillan Publishing.

Christensen, C. M., Johnson, M. W., & Rigby, D. K. (2002). Foundations for Growth: how to identify and build disruptive new businesses. [Article]. *MIT Sloan Management Review, 43*(3), 22-31.

cross-. (1989) *The Oxford English Dictionary.* retrieved from http://dictionary.oed.com.libproxy.mit.edu/cgi/entry/50054480?query_type=word&queryword=Cross&first=1&max_to_show=10&sort_type=alpha&search_id=KCt7-SzsNtJ-6539&result_place=1

Dalsace, F., Damay, C., & Dubois, D. (2007). Brand Magic: Harry Potter Marketing. *Harvard Business Review*(February), 24-25.

De Vany, A. (2004). *Hollywood Economics: How extreme uncertainty shapes the film industry.* New York: Routledge.

Dena, C. Writing Predictions for the Next Decade. http://www.cross-mediaentertainment.com

Dena, C. (2006). http://www.cross-mediaentertainment.com

DiPersio, V., & Bardach, A. (Producer). (2001, March 29, 2010) The Monster that Ate Hollywood. *Frontline.* retrieved from http://www.pbs.org/wgbh/pages/frontline/shows/hollywood/

Elberse, A. (2008). Should You Invest in the Long Tail? *Harvard Business Review, 86*(12).

Gabler, N. (2006). *Walt Disney: the triumph of American imagination.* New York: Alfred A. Knopf.

Gilmore, J., & Pine, B. J., II. (2007). *Authenticity: what consumers really want.* Boston: Harvard Business Press.

Gitelman, L. (2005). Media, Material, and the Measure of the Digital; or, The Case of Sheet Music and The Problem of Piano Rolls. In L. Rabinovitz & A. Geil (Eds.), *Memory bytes: history, technology, and digital culture.* Durham: Duke University Press.

Gitelman, L. (2006). *Always Already New: media, history, and the data of culture.* Cambridge: MIT Press.

Gladwell, M. (2009, July 6). Priced to Sell: Is free the future? *The New Yorker.*

Glasser, A. (Producer). (2010) Random House Kicks Off "Transmedia IP" Movement.

Google. (2010). Our Philosophy; Ten things we know to be true. Retrieved March 23, 2010, 2010, from http://www.google.com/corporate/tenthings.html

Grainge, P. (2008). *Brand Hollywood: selling entertainment in a global media age*. New York: Routledge.

Hart, A. (2006). *A Strategy for the Management of Digital Information Products: Customer Integration and Customer Involvment*. Univeristy of Koblenz-Landau, Landau.

Hay, B. L. (2009). Harvard Law School Entertainment Law Class Discussions. Cambridge.

Holt, D. B. (2004). *How Brands Become Icons: the principles of cultural branding*. Boston: Harvard Business School Press.

. Homicide: Life on the Street. (1993). In J. Finnerty, T. Fontana & B. Levinson (Producer): National Broadcasting Company (NBC).

Jenkins, H. (2003). Transmedia Storytelling. *Technology Review*, 1.

Jenkins, H. (2006). *Convergence Culture : where old and new media collide*. New York: New York University Press.

Jenkins, H. (2007). Transmedia Storytelling 101. http://www.henryjenkins.org

Jenkins, H. (2010). What the Chinese Are Making of Avatar. http://www.henryjenkins.org

Johnson, D. (2009). The Fictional Institutions of Lost: World Building, Reality and the Economic Possiblities of Narrative Divergence. In R. Pearson (Ed.), *Reading Lost*. New York: I.B. Tauris.

Jones, S. (Writer). (2009). Where the Wild Things Are. In M. Sendak, J. B. Carls, B. Goetzman, T. Hanks & V. Landay (Producer). USA: Warner Bros. Pictures.

Kackman, M. (2008). Nothing On But Hoppy Badges:Hopalong Cassidy, William Boyd Entertprises, and Emergent Media Globalization. *Cinema Journal*, *47*(4), 76-101.

Keller, K. L. (1998). *Strategic Brand Management: building, measuring, and managing brand equity* (1st ed.): Prentice Hall.

Kotler, P., & Scheff, J. (1997). *Standing Room Only: strategies for marketing the performing arts*. Boston: Harvard Business School Press.

Küng, L. (2008). *Strategic Management in the Media: From theory to practice*. Los Angeles: Sage.

Labanok, M. (2010). Random House Transmedia Development. In A. Merkin (Ed.). Boston, MA.

Lessig, L. (2008). *Remix : making art and commerce thrive in the hybrid economy*. New York: Penguin Press.

Lévy, P. (1997). *Collective Intelligence: Mankind's Emerging World in Cyberspace* (R. Bononno, Trans.). New York: Plenum Press.

Lim, D. (2010). A Wonderland of 'Alice'. *Los Angeles Times*.

Lloyd, F. (Writer). (1933). Cavalcade. USA: Fox Film Corporation.

Long, G. A. (2007). *Transmedia storytelling : business, aesthetics and production at the Jim Henson Company*. Massachusetts Institute of Technology, Cambridge.

Lucas, G. (Writer). (1977). Star Wars: Episode IV - A New Hope [Film]. In G. Kurtz (Producer), *Star Wars*. USA: Twentieth Century Fox Film Corporation.

Lukk, T. (1997). *Movie Marketing: Opening the Picture and Giving It Legs* (1st ed.). Beverly Hills: Silman-James Press.

Marich, R. (2005). *Marketing to Moviegoers: A Handbook of Strategies Used by Major Studios and Independents*. Burlington: Focal Press.

McIntyre, D. (Producer). (2009, March 13, 2010) Content, Once King, Becomes A Pauper. *Time*. retrieved from http://www.time.com/time/business/article/0,8599,1878711,00.html

McLeod, N. (Writer). (1933). Alice in Wonderland [DVD]. USA: Paramount Pictures.

Meehan, E. (1991). Holy Commodity Fetish, Batman! In R. E. Pearson & W. Uricchio (Eds.), *The Many Lives of the Batman: Critical Approaches to a Superhero and his Media* (pp. 47-65). New York: Routledge University Press.

Mitchell, M. (1936). *Gone with the Wind* (1st Reprint Edition ed.): Scribner.

Moul, C. C. (Ed.). (2005). *A Concise Handbook of Movie Industry Economics*. New York Cambridge University Press.

Müller, J.-D. (1994). The Body of the Book: The Media Transition from Manuscript to Print. In H. U. Gumbrecht & K. L. Pfeiffer (Eds.), *Materialities of Communication* (pp. 32-44). Stanford, Calif.: Stanford University Press.

Myrick, D. (Writer). (1999a). The Blair Witch Project [Film]. In R. Cowie & G. Hale (Producer): Artisan Entertainment.

Myrick, D. (Writer). (1999b). Curse of the Blair Witch [Television]. In M. Monello (Producer): Sci-Fi Channel, The.

Negroponte, N. (1995). *Being digital*. New York: Knopf.

Netherby, J. (2009, October 21,2009). Disney may open up digital cloud. *Variety*. Retrieved from http://www.variety.com/article/VR1118010243.html?categoryid=1236&cs=1

Odlyzko, A. (2001). Content is Not King. *First Monday, Peer-Reviewed Journal on the Internet, 6*(2).

Pandora.com. (2010).

Pine, B. J., II, & Gilmore, J. H. (1999). *The Experience Economy: work is theatre & every business stage*. Boston: Harvard Business School Pres.

Popper, N., & Fritz, B. (2010, March 11, 2010). Investors can soon make bets on movie box office. *Los Angeles Times*. Retrieved from http://www.latimes.com/business/la-fi-ct-movie-exchange11-2010mar11,0,2139855,full.story

Porter, E. S. (Writer). (1903). The Great Train Robbery [short film]. USA: Edison Manufacturing Company.

Pro.IMDB.com. (2010). retrieved from http://pro.imdb.com

Randall, A. (2001). *The Wind Done Gone: A Novel* (1st Ed/1st Print Edition ed.): Houghton Mifflin Harcourt.

Reisinger, D. (Producer). (2008, November 24) Why Most Video Games Aren't Profitable. *The Digital Home*. retrieved from http://news.cnet.com/8301-13506_3-10106612-17.html

Rensing, E. (2010, February 26). *Are Subscriptions the Answer?* Paper presented at the MBA Media and Entertainment Conference, NYU Stern School of Business.

Rollings, A. (2003). *Andrew Rollings and Ernest Adams on game design* (1st ed.). Indianapolis: New Riders.

Rowling, J. K. (2007). *The Harry Potter Series*: Arthur A. Levine Books.

Santo, A. D. (2006). *Transmedia Brand Licensing Prior to Conglomeration: George Trendle and Green Hornet Brands, 1933-1966.* Unpublished Dissertation, The University of Texas at Austin, Austin.

Schell, J. (Producer). (2010, March 24) "Design Outside the Box" Presentation. *DICE 2010*. Video retrieved from http://g4tv.com/videos/44277/dice-2010-design-outside-the-box-presentation/

Shapiro, C., & Varian, H. (1999). *Information Rules: a strategic guide ot the network economy*. Boston: Harvard Business School Press.

Smaili, N., Labelle, R., & Stolowy, H. (2009). La publication d'une information financière non conforme à la loi et aux normes : déterminants et conséquences. . [Article]. *Comptabilité Contrôle Audit, 15*(1), 159-198.

Spielberg, S. (Writer). (1975). Jaws. In D. Brown & R. Zanuck (Producer). USA: Universal Pictures.

Spielberg, S. (Writer). (1981). Raiders of the Lost Ark [Film]. In L. Kasdan (Producer). USA: Paramount Pictures.

Spielberg, S. (Writer). (1982). E.T.: The Extra-Terrestrial. In S. Spielberg (Producer). USA: Universal Pictures.

Squire, J. E. (Ed.). (2004). *The Movie Business Book* (3rd ed.).

TheWeek.com (Producer). (2010, April 21) 'Avatar' depression syndrome? retrieved from http://theweek.com/article/index/105003/Avatar_depression_syndrome

trans-. (1989) *The Oxford English Dictionary*. retrieved from http://dictionary.oed.com.libproxy.mit.edu/cgi/entry/50256044?query_type=word&queryword=trans&first=1&max_to_show=10&sort_type=alpha&result_place=2&search_id=KCt7-KFlIT8-6820&hilite=50256044

tvbythenumbers.com (Producer). (2010) The Renew-Cancel Index. retrieved from http://tvbythenumbers.com/the-renew-cancel-index
Varian, H. R. (2000). Buying, Sharing, and Renting Information Goods. [Article]. *Journal of Industrial Economics, 48*(4), 473-488.
Vollmer, C. (2008). *Always On: advertising, marketing, and media in an era of consumer control.* New York: McGraw Hill.
Wachowski (Writer). (1999) [Film]. In J. Silver (Producer), *The Matrix.* USA: Warner Bros. Pictures.
Wagner, P. (2009, October 17). *Conference at Harvard Business School,* Harvard Business School.
Weaver, C. (2010). Historical Lessons of Copyright. Massachusetts Institute of Technology.
Weiler, P. C. (2006). *Entertainment, Media, and the Law* (3rd ed.). St Paul: West Group.
Wellman, W. (Writer). (1927). Wings [Film]. USA: Paramount Pictures.
Wiese, M., & Simon, D. (1995). *Film & Video Budgets* (2nd ed.). Studio City.
Wilder, L. I. (1943). Harper & Brothers.
Zemeckis, R. (Writer). (1994). Forrest Gump. USA: Paramount Pictures.