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**A HISTORY OF CONTEMPORARY INDEPENDENT FILM MARKETING  
IN THE UNITED STATES (1989-1998)**

**THESIS**

**Presented to the Graduate Council of the  
University of North Texas in Partial  
Fulfillment of the Requirements  
For the Degree of**

**MASTER OF SCIENCE**

**By**

**John P. Ahearn, B.A.**

**Denton, Texas**

**August 1998**

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The current state of American independent film, with its continuing rise in popularity throughout mainstream culture has created an aggressive acquisition approach among major Hollywood studios. This study explores the reasons for the rise in independent film's popularity, which have created a unique Hollywood phenomenon, the successful "mini-major" independent studio, dedicated to both art and commerce. Chapters cover the history of independent film, characteristics of both independent and mainstream films with regards to financing, acquisition, distribution and marketing, trends within independent film in the late 1980s and 1990s, crucial distributors and landmark independent films, and key growth areas in the future for independent film.

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## CHAPTER I

### INTRODUCTION, DEFINITIONS, AND PURPOSE

#### Introduction

In 1989, *sex, lies and videotape*, directed by Stephen Soderbergh, set a new standard for American independent cinema. The film was a huge hit at the Cannes Film Festival in France that year, capturing the Palme d'Or (Golden Palm) award. It also won the audience award at the Sundance Film Festival in the United States. The film, an offbeat, dialogue-filled peek into four peoples' confused sex lives, was not what could be considered mainstream, and was not considered for release by major U.S. studios. (Thompson: 62) Hollywood at this point was well into its second decade of so-called "high concept" productions, films that could be defined by their simplistic plots, emphasis on style, and an integration with their marketing. (Wyatt: 23) *sex, lies, and videotape* was considered an art house film, with a complex plot that could not easily be explained in a sentence or two, as many "high concept" pictures, such as *Batman* (1989), could be described. (Wyatt: 33) Much subtler than most mainstream films with regards to character and plot development, the film almost single-handedly changed the face of independent cinema. It was a watershed moment for the independent film movement that had been gaining steady ground

since the mid-1980s. *sex, lies and videotape* proved that good word-of-mouth, positive reviews, and a steady stream of publicity could add up to a major box office profit for an independently produced film.

In 1996, a mere seven years after *sex, lies, and videotape* had been released, four out of the five Academy Award nominations for Best Picture were either distributed, produced, or financed in some form by independent film studios on the periphery of the Hollywood production system. These films included *The English Patient*, *Shine*, *Fargo*, and *Secrets and Lies*. *Jerry Macguire*, produced and distributed by Tri-Star/Sony, was the only nominated film from a major studio. *The English Patient* swept the awards, with Oscars going to the film for Best Picture, Best Director, and Best Supporting Actress, among others (nine awards out of 13 nominations). It is doubtful that independent films will ever challenge the major studios' commercial foothold. The amount of money that major U.S. studios have at their disposal and the financial incentives to reach the largest audience possible make smaller, independent films an anomaly within the system. Rather, I am seeking in this study to explain how the creative balance of power has been expanded in the past ten years to not only include independent film distributors but also allow them to predominantly thrive within the independent film sub-structure. What factors have contributed to this explosion in independent film? Are there concrete answers to be found?

Much attention was given by the press to the fact that the "independents" had taken over the awards show. This thesis examines the history of independent cinema in the U.S., with particular emphasis on the years between the release of *sex, lies, and videotape* in 1989, and the 1996 Academy of Motion Picture Arts and Sciences Awards.

### Definition of Independent Film

The efforts of the major studios to capitalize on the public interest in independent film has led to much confusion as to the term's true meaning. In order to understand what is meant by "independent" film, some definitions and parameters must be set. A framework must be established so that there is a clear interpretation of which films fall under this category. What is the nature of independence? Is it defined by the number of dollars, or rather, by the subject matter in the script? Who makes these decisions? Is the studio that produces or releases the film enough to qualify a film as "independent?" It is necessary to examine the dominant institution of Hollywood cinema to reach a definition of independent cinema.

On the surface things would appear to be quite simple: Major studio films are more concerned with big, effects-laden, plot-deprived product and independent studio films are more concerned with plot development and character. However, many of the independents are actually subsidiaries of the major studios, creating more confusion as to the true meaning of an independent

film. At its simplest, an independent film can be defined as one made outside the Hollywood studio system. (Schwarzbaum: 8) This extremely broad category must be further refined, since the infusion of major studio dollars does not necessarily exclude mini-majors (smaller distributors with a firmly established release system, which can be owned by major studios) from independent status, but calls for a closer examination of certain characteristics inherent in such a cinema. Chuck Kleinhans views the independent film as an "artistically accomplished dramatic feature that speaks to (and sometimes with, and sometimes for) an audience that wants entertainment and enlightenment through a film that seems to express an artist's vision." (321) This is a definition that includes most, if not all fringe cinemas that comprise the independent film arena. I would contend, however, that a film doesn't necessarily have to have a message that it is attempting to convey to a particular audience, as Kleinhans' statement appears to insist in order to be considered independent.

I would argue that independence could be defined more in terms of the attitude and spirit exhibited within films that are being distributed by a company other than one of the major Hollywood studios. As Geoff Gilmore states in his article, "The State of Independent Film," "To talk about independent filmmaking, or the oft-described archetypal 'Sundance Film,' is to invoke imagery and ideas that are usually, though certainly not always, counter to a purely commercial cinema, that are frequently personal, perhaps even idiosyncratic or marginal,



and that represent a universe of storytelling generally not possible in a mainstream with a vision limited by the bottom line." (10)

For the purposes of this study, the films that I have chosen to study can be understood as "independent in spirit and attitude." That is to say that the films that are under consideration share some qualities with major studio films, such as production values, narrative causality, and a hierarchy of actors, actresses, and directors within the dominant system of production, yet fall somewhere outside the bottom-line economic considerations of mainstream Hollywood. Some argue that a film funded with studio money cannot be considered independent. While this is an important facet of the ongoing debate among cinephiles, critics, and scholars regarding independent film, I am more interested examining the trend of major studios co-opting the term "independent" as a marketing tool, and acquiring independent distributors in order to increase and reinforce their dominance at the box office. The main focus of this study, therefore, will attempt to explain the role of marketing in determining the level of success that independent films have attained within the past ten years.

The line between major studio releases and independent releases has blurred considerably since the release of *sex, lies, and videotape* in 1989. Many factors have contributed to the growth and popularity of independent film. In order to arrive at a better understanding of the relationship between art and commerce that defines the independent film, I will explain the causes and effects of this steady rise in independent film, and put into perspective all of these

factors to suggest where the future of independent cinema lies. This can be best achieved by combining a historical perspective on independent film marketing with specific case studies and examples drawn from contemporary independent distributors.

### Reasons for the Growth of Independent Cinema

In describing the popularity of the independent film of the past ten years, I have noted four primary reasons for its growth: the explosive growth in the 1980s and 1990s of cable/digital satellite television and home video, the number of media outlets available for publicity and promotion, the increased number of films available within any given market from which the independent distributor can choose and the interest of major studios in acquiring independent distributors for prestige and profitability.

The rapid growth of cable/satellite television and videocassette recorder technology has supported a new awareness of film among the public in general, and an ever-expanding revenue outlet for both major and independent motion picture distributors. The number of cable channels has increased exponentially within the past twenty years, offering numerous opportunities for films to generate revenue. Home video, once considered to be the ruin of the movie industry, now generates more than \$16 billion in domestic retail revenues. Approximately two-thirds of that amount comes from sales or rentals of feature films. (Vogel: 83)

The growing media coverage of independent film must be taken into account when discussing film marketing. This study is not limited to advertising campaigns, but also seeks to understand the role of promotion and publicity within such campaigns. There has been a rise in the number of outlets covering independent film in the past 10 years. Entire magazines are now dedicated to the subject and cable channels have become available that show nothing but "independent" films. The Internet is also covering the independent film scene, as well, with newsgroups and fan sites dedicated to engaging in discussions about the subject. This rise in media coverage of independent films has played an increasingly important role in the growth of this area. In fact, there is a case to be made for the independent film as a genre, complete with its own set of clichés that can be compared to mainstream film genres. Consider any number of independent films that center around the angst-ridden, post-collegiate group of twenty-somethings who spend all day whining about their lives, and all night drinking and carousing with each other. The heist picture, inspired by *Reservoir Dogs* (1992), features the requisite cast of miscreants and outcasts who inevitably botch the crime, and can be considered another popular subject among independent filmmakers. As Geoff Gilmore notes in his essay, "The State of Independent Film," "The success of unique films inspires hordes of shallow imitators, resulting in a desultory sameness in much of what gets to the screen." (10) I am suggesting here that the major studios have created a label and identity for "independent" films that specifically serves their financial

interests over all other considerations, such as pure artistic expression and experimentation. By creating an image of what an audience can expect when they hear the words "independent film," the studios serve their own bottom line, all the while creating repetitive definitions of independent film subjects which serve to lessen the interests of mainstream moviegoers.

The sheer number of people making films has increased dramatically over the past ten years, as well. The dream of writing the great American novel has been supplanted by the desire to direct/write a feature film, or so it would appear from the vast number of independent films that appear each year at various film festivals and market gatherings. The study of film in colleges and universities across America has been popular for years, and film production and critical studies are among the most popular majors with students. The volume of movies being made has increased, and along with this has come a greater interest from fringe companies hoping to profit from the overflow.

Finally, within the past few years, the interest by the major studios in independent distributors has reached the saturation point. Many alignments have taken place between majors and specialty distributors, such as Disney/Miramax, Time Warner/Fine Line, Sony/Sony Classics, 20<sup>th</sup> Century Fox/Fox Searchlight, and, most recently, Universal/October. These major studios have sought out the prestige and credibility associated with the independent distributors in order to maximize profits and service every segment of the marketplace. In the specialty distributors' favor is a more reliable source

of income set aside for marketing and promoting smaller, more personal films within the marketplace.

### Chapter Outline

It will be necessary to chart the background and history of independent film that set these factors in motion. The second chapter will give a brief history of independent film, attempting to summarize some of the major studios, pictures, producers and directors that played a part in establishing the groundwork that led to the success of independent films and filmmakers in the late 1980's and 1990's.

Chapter three will examine the characteristics of production for both independent and mainstream films, such as financing, acquisition, distribution, and marketing.

Chapter four will examine trends within the independent film industry in the late 1980s and 1990s. Most major studios, themselves owned by huge corporate conglomerates, now own their own mini-major or semi-independent studios. For instance, New Line/Fine Line Films is owned by Warner Brothers which is owned by Time/Warner/Turner; Miramax Films is owned by Disney, which also owns the ABC television network. This fact can be attributed to several factors, including the "prestige" factor of owning an independent studio, and the rapid, widespread growth of specialized, niche marketing from within the independent system, as well as the major studios' desires to enter untapped demographics in a relatively short period of time. A successful marketing

campaign has become crucial to the success of a theatrically released film, and it seems to be a logical extension of the independent studios to seek the capital and manpower of the major studios in order to get their films seen by as many people as possible. The major studios have much more money available to dedicate to marketing a film. When this capital is combined with the grassroots, fringe marketing experience of a successful independent distributor who has had to create public awareness of films for a number of years on an extremely tight budget, the potential audience for an independent film can grow exponentially. Independent film studios have had to become very creative when marketing films, due to the lack of advertising dollars available to promote them. As I will demonstrate, any publicity is good in the independent arena when it generates word-of-mouth or media coverage.

The fifth chapter of this study will focus on case studies within the independent realm. Miramax Films, one of the more prominent American independent companies of the past ten years, is given special attention. Major studios have acquired a large number of independent distributors/studios in the past five years, and an examination of Miramax Films will illustrate just how the definitions of independent film cannot be explained by simple conditions. Many other factors must be taken into account when establishing a film's independence since the money that these studios are using for marketing and distribution is coming from large conglomerates. While the primary focus of this study is on American independent films, it is also necessary to examine the role

that European countries play in the independent scene in America, as well as the role of American independent distributors in financing European projects. This concept will be examined through the efforts of Miramax Films' involvement with European markets.

Certain films will be given special attention to back up these points. I have chosen *sex, lies, and videotape* (1989), *The Crying Game* (1993), and *Pulp Fiction* (1994), all released by Miramax, to highlight certain aspects of my argument. There are many other films that will be included, but I believe that these three films have helped create a particular awareness of independent film within American popular culture that has shaped the direction and subject matter of current and future independent films. These films, among others, have prompted a new, more fiscally based independent blockbuster mentality that rivals major studios' release expectations. At one time an independently released film could be considered a success if it had returns of \$2-\$6 million. (Kleinhans: 326) While this figure is still seen as a successful box office take, the expectations for independent films have risen with the success of the independent industry as a whole.

The final chapter of this study will analyze current independent and mainstream marketing trends and take into account some of the growth areas in which independent cinema has expanded in the past few years. These areas include cable/satellite television, home video, and foreign distribution markets. I will also examine minority groups such as gays/lesbians and African-Americans

**in order to describe outlets within independent cinema for voices outside of the predominantly white, male hierarchy firmly in place at both the Hollywood and independent levels of filmmaking.**



## CHAPTER II

### AN HISTORICAL PERSPECTIVE ON INDEPENDENT FILM

The history of independent film that this study is concerned with is from a contemporary standpoint, but an evaluation of the roots of independent cinema and its practitioners is crucial to any understanding of the current trends. Certainly the classical studio system in Hollywood is the yardstick to which all other areas of production are compared. By the 1920s this studio system "was firmly in place, and all other cinematic expressions existed in some kind of relationship to it." (Kleinhans: 311) Most of the independent films created at this time were for small, niche pictures and B films such as westerns and horror films. (Kleinhans: 312)

One of the biggest moves towards independence at this time was the creation of United Artists Studios by actors Charlie Chaplin, Douglas Fairbanks, and Mary Pickford, as well as director D.W. Griffith. United Artists was a distribution company set up to avoid the powerful studio system altogether, which the founders perceived as a "threat to their power and autonomy." (Schatz: 176) This attempt at independent standing was fraught with complexities, however. They still had to lease studio space from the majors, borrowed much of the majors' top personnel, and relied on the majors' first-run

theaters to release pictures. These studios were willing to work this type of relationship because the United Artists films that were being made kept their theater facilities profitable. (Schatz: 176) While this arrangement worked well, the increasing power of the studio system allowed for little innovation outside of the dominant approach to pictures being produced for mass consumption.

Other, less noticeable forms of independence came in the form of films that were created for specific ethnic groups, such as the African-American or Jewish communities of the 1930s. (Kleinhans: 312) A number of successful small studios, such as Republic, Mascot, and Monogram also created what were termed B pictures (in reference to their stature on a playbill). These low-budget genre films were churned out on a regular basis, and all done outside the Hollywood studio system. (McCarthy and Flynn: 3)

By the late 1930s and early 1940s the studio system controlled what could and would be shown through vertical integration. This term refers to the studios' control over the development, production, post-production, distribution and exhibition of films. All aspects of a film's release were controlled by the same studio. This benefited the major studios at the expense of the independent theater owners, since it virtually guaranteed a minimum market for their films. The Paramount consent decree attempted to put an end to this practice by forcing the major studios to sell off their theater chains. (Wyatt: 66) The Paramount consent decree, in which the studios lost their hold on theaters, freed the smaller distributors to show their pictures on the same screens as the

majors. Responding to this challenge, independently produced features came to rely on more sensationalistic advertising campaigns and story subjects to draw crowds and commerce. Since these pictures had quality that reflected their (low) budgets, they relied on "exploitative (and sometimes shocking) subject matter to corral the wary ticket buyer." (Ray: ix) These films often resorted to unrealistic claims in order to publicize them, and usually faded from public memory quickly.

The drive-in theater also began to appear, and the demand for films to exhibit became more than the majors could handle. (Ray: x) The package-unit system also had its beginnings in the late 1940s. "Rather than an individual company containing the source of the labor and materials, the entire industry became the pool for these. A producer organized a film project: he or she secured financing and combined the necessary labors (whose roles had previously been defined by the standardized production structures and subdivision of work categories) and the means of production (the narrative 'property', the equipment, and the physical sites of production)." (Bordwell, Staiger, and Thompson: 330) This package-unit system became the dominant mode of production within the Hollywood system, and was due to the post-war shift away from mass production of films. The system favored the independent producer, as he/she was able to acquire on a short-term basis the means for film production. (331)

The drive-in theater also began to appear, and the demand for films to exhibit became more than the majors could handle. (Ray: x) This market

created the need for more product, which independent distributors were able to fill with low-budget genre films.

The 1950s saw the growth of the art house exhibition system in the postwar period. (Kleinhans: 313) The art house film can be classified as one that "foregrounds realism and authorial expressivity in the system of the film." (Bordwell, Thompson, and Staiger: 303) This particular kind of cinema found an audience in postwar America that had grown increasingly tired of genre pictures and formula films. There was also an apparent audience desire to view film as "akin, under certain circumstances, to the high arts of literature, music, and drama." (Lewis: 67) As Variety commented in 1953, "There is a feeling among the film importers that, with a general product shortage in the offing, imports from abroad--in both subtitled and dubbed versions--are heading into a somewhat brighter future." (3) Primarily European in origin, these art house films had a dramatic effect on the future of many American filmmakers. In fact, Bordwell, Thompson, and Staiger suggest that the art cinema of this era is almost solely accountable for the dramatic alteration in classical Hollywood style. This alteration, linked to the 1960s "New Hollywood" cinema, deals with a shift in protagonists' traits from clear-cut identities and motives to more ambiguous, questioning characteristics. (373) With regards to its affiliations to this particular study, the art house cinema may be seen as an influence and a catalyst for future independent films. That is to say the realism that these films

initiated has been actively pursued by many recent and current groups of independent filmmakers.

During this period one of the earliest companies that specialized in independent American films was Don Rugoff's Cinema V, often cited as a model for later independent distributors/studios such as Miramax and New Line (Lewis: 68) Cinema V was located in New York, and controlled a number of prestigious theaters in the New York City area. Many art house films from Europe premiered in the early days of Cinema V. Meticulous detail was spent on each film that Rugoff exhibited, in order to "maximize the uniqueness and marketability of each film." (Lewis: 69) For instance, when the surfing documentary *The Endless Summer* (1966) was booked, Rugoff scheduled an intermission in the short, 91 minute film, figuring (correctly) that people would want to discuss the surfing styles they had just seen. (Lewis: 69) When the art house audience began to decline, Rugoff took up the slack by moving aggressively into youth pictures, and Rugoff claimed in the mid 1960s, (presciently) that the teen and college set was "the future for Cinema V." (*Variety*: 5) Such films as the aforementioned *The Endless Summer*, and *Morgan!* (1966), an anti-establishment comedy, helped Cinema V attain further success in this decade. The establishment of the print advertisement as the primary tool in marketing independent films also took hold during this time. Rugoff and Cinema V were leading the studios by selecting simple, memorable logos to advertise their films and create a separate identity for each.

The teenage audience that was rarely catered to before the 1950s became very important to both major studios and independent companies during this decade. Television's impact on declining movie audiences could be felt throughout the movie industry. While major studios chose to set themselves apart from television with big-budget "event" movies such as *The Bridge on the River Kwai* (1957) and *Lawrence of Arabia* (1962), independent filmmakers picked up on the trend of pursuing the youth audience with grittier films that appealed to a younger crowd. *The Wild One* (1954) and *Rock Around the Clock* (1956) were among the films that actively sought the youth market in this period.

During the 1960's a new, more informed generation of filmmakers emerged who had been exposed to many different types of cinema. Moodier subjects were now more approachable, and the audiences were increasingly receptive to more realistic and consequently harsher views of the world. It is important to note here that the major studios underwent a number of major changes with regards to ownership. Universal, Paramount, Warner Brothers, and United Artists all merged with conglomerates that had little previous experience with the film industry. An increased capital base created a diversion of risk for the conglomerates. (Wyatt: 69) These studios were attractive to the conglomerates because of their film libraries, which could be sold to television, and the "suspicion that their stocks were undervalued because of a sluggish boxoffice in the early 1960s." (Balio: 303)

In the 1960s the majors had gone through a long string of expensive disappointments and outright failures such as *Star!* (1968), and *Dr. Dolittle* (1968). Meanwhile, the youth pictures of the late sixties spoke to a generation of disenfranchised young Americans who were eager to identify with on-screen counterculture representations. Since the studio system of the late 1960s and early 1970s was "unable to adapt quickly and effectively to a changing culture, baby boom demographics, and economic changes, instability created more opportunities for new directors who could occupy the in-between places during a time of upheaval and drastic change." (Kleinhans: 313) This uncertainty on the part of the majors led them to reevaluate both their production schedules and distribution practices. This period of time would be as close as the majors would come to what I consider films of "independent" spirit. Justin Wyatt, in his book, *High Concept: Movies and Marketing in Hollywood*, considers this timeframe a "period of extensive experimentation in industrial practice, film form, and content." (72) This specific period of American cinema can be traced directly to the studios' search for new audiences. The search led them to a new generation of younger filmgoers. Even more importantly, however, is the influence of these films on the current generation of independent filmmakers. Martin Scorsese, a graduate of New York University's film school, is perhaps the most accomplished of these directors from this earlier generation, and his influence can be seen all over the screen in current alternative cinema. Scorsese's films include *Mean Streets* (1973), *Taxi Driver* (1976), *Raging Bull* (1980), and *The Last Temptation*

*of Christ* (1989). He acts as a mentor for young filmmakers by executive producing a number of first releases, such as Dan Algren's *Naked in New York* (1994). Algren comments, "Marty's advice and support (regarding the film) was more than an endorsement...He watched dailies, coached me. If people like him are willing to help young filmmakers, it's important, because they can push the industry in a more independent direction." (Brodie: 119)

An important characteristic of the 1970s was the trend towards the major studios' growing reliance on the "blockbuster" picture. In the early years of that decade films such as *The Godfather* (1972) and *Love Story* (1971) went on to extremely successful box office runs that went beyond the normal expectations of studio executives. These films and others were dependent on "a pre-sold property, within a traditional film genre, and usually supported by popular stars (operating within their particular genre) and director." (Wyatt: 78) This "blockbuster" formula was repeated with increasingly positive results throughout the decade. As Hollywood relied more and more on safe formulas for ensuring successful box office returns on expanding investments, alternatives to mainstream films became increasingly popular. However, as the Hollywood studio system regained control and stabilized after a string of blockbuster films such as *Airport* (1970), *Love Story* (1971), and *The Towering Inferno* (1974), many of the more experimental and creative filmmakers were pushed to the fringes of the studio system. These filmmakers, who only a few years earlier had created some of the more innovative films in recent history, were now forced to



look outside of the traditional sources for funding. Financing was becoming increasingly difficult to secure for projects that couldn't guarantee a solid audience. As the cost of films rose during this decade, revenue returns became the central deciding factor in greenlighting scripts. This is not to say that the major studios quit producing difficult films altogether. Most studios still had several high profile films that would garner critical acclaim for the studio. However, the majors actually cut down the number of films released per year in order to shift money over to the more lavish productions. (Wyatt: 79) This turnaround in thinking is crucial to the growth of the independent film studios from the late 1970s to the present day. No movie can be held more accountable for this trend than Steven Spielberg's *Jaws* (1975).

*Jaws* is in every way the modern standard for the typical big budget Hollywood film of today. The film was based on a successful, best-selling novel, which created a built-in audience for the film. (Wyatt: 115) The cover image of the book was established long before the movie advertising campaign was unveiled, which created an instant identity for the film's logo. And the television campaign was unparalleled at the time, with national advertising spots purchased in lieu of the previously used market-by-market technique. All of these elements combined to create a record-opening weekend for the film (\$7.061 million). (Lewis: 79) The film went on to become the highest grossing film of all time (up to that point) with an eventual domestic box office take of \$260 million. (Internet Movie Database) The major studios took note of the

phenomenal success of the film, with many creating their own projects which attempted to rival its success.

The pattern would continue for the remainder of the decade, with films such as *Star Wars* (1977), *Superman* (1978), and *Close Encounters of the Third Kind* (1978), following the same marketing patterns as *Jaws*, but relying more heavily on merchandising such items as toys, lunchboxes, and t-shirts. The fast-food restaurant tie-in quickly established a primary source of supplementary financing for major studio films, and merchandising took precedence within the advertising departments at major studios. This pattern has become even more refined in the 1990s, as films have become increasingly merchandise-oriented and story-deficient.

According to David Rosen and Jim Hamilton, independent films in the 1980s were characterized by a "wonderfully naïve, almost self-deceptive euphoria." (xviii) The independent films of decade were distinguished by a "do-it-yourself" philosophy that had characterized the (influential) punk rock of the late 1970s. In these films the realism of art cinema was coupled with a wry sense of humor that openly laughed at the empty promises and shallow optimism of the Reagan administration. They consider four main factors which contributed to the success of independent films during this decade: "the greater demand for visual entertainment, driven by the increase in the number of movie-theater screens, the rapid adoption of home video, and the expansion of cable television; the increased availability of capital (from investors as well as

consumers; derived from the "Reagan revolution" of debt-based affluence; the maturation of the baby-boom generation, a group with more sophisticated filmgoing tastes as well as disposable time and income for movie attendance; and the proliferation of numerous quasi-commercial filmmakers and independent distributors throughout the country to take advantage of this unique opportunity." (xviii) Certainly one of the most significant reasons is the growth of the independent film audience. This audience is comprised of people who seek out films for more than simple entertainment. They are frequent moviegoers who are well informed in the history of film, and who seek the moviegoing experience as something more of a more personal nature than the majority of American filmgoers. (Rosen and Hamilton: 265)

During this decade, at the same time, the Hollywood system stabilized and grew stronger due to the performance of "blockbuster" films in foreign markets, the growth of cable television, an increase in the number of movie theater screens, and the proliferation of the videocassette recorder into a majority of homes in America. As the foreign performance of major studio films became increasingly important to the major studios, more concessions were made in terms of plot simplicity. More attention was given to action sequences that did not need direct lingual translation in order to be understood. A growing reliance on special visual effects can be indirectly attributed to overseas box office performance.

Between 1980 and 1989 there was a thirty percent increase in the number of screens available, from around 17,500 to 23,000. (Vogel: 88) Coupled with this fact is the explosive growth of the videocassette recorder (VCR), which grew from only 3 percent of households in 1980 to almost seventy-five percent by the end of the decade. Cable television subscriptions tripled during the 1980s, and basic, premium, and pay-per-view cable services doubled. (Rosen and Hamilton: 261). While this certainly served the major studios' interests, independent studios benefited as well. With the number of ancillary markets available to exhibit films, unique opportunities were available to a number of outside filmmakers and distributors. There was a convergence of factors that created an independent landscape that was easily accessible to new filmmakers, and this period of time was critical in forming the groundwork for the current state of independent cinema. With this tremendous growth pattern in place, there were a number of filmmakers who were able to exploit these ripe conditions. Jim Jarmusch, John Sayles, Spike Lee, and Steven Soderbergh were but a few of the directors who created unique bodies of work within the parameters of independent film. The amount of available capital in the 1980s provided two finance sources for the independent film market: more investment capital for film production and distribution, and more expendable capital for consumers. (Rosen and Hamilton: 264)

I will present a more detailed examination of the late 1980s and 1990s in Chapter Three, but must first discuss the financing, acquisition, marketing, and

**distribution techniques of both independent and major studio films to illustrate the similarities and differences between these two sectors.**

## CHAPTER III

### CHARACTERISTICS OF INDEPENDENT AND MAINSTREAM FILMS: FINANCING, ACQUISITION, DISTRIBUTION, AND MARKETING

Specialty distributors (what I refer to in this thesis as mini-majors) such as Sony Pictures Classics, Miramax, October Films, and Goldwyn usually market smaller, more personal films that do not cater to a mass audience. These films are most often independently financed (not by the distributor) and produced on low budgets without famous actors or directors (although even this definition of independence is becoming more and more outdated, as many stars see the independent film as an attractive way to either revitalize a stalled career or lend him/herself an aura of hipness, and the independent director/producer finds an excellent way to ensure audience awareness through enhanced media coverage). Specialty films tend to be much more offbeat and quirky than major studio films. Subject matters that are considered taboo to a mainstream audience are given much more serious treatment in the independent arena. Incest, onanism, and even necrophelia are just a few of the darker subjects of movies that have been released in the past two years by independent studios.

**What audiences are being overlooked by mainstream studios? How large is this audience?**

**Because independent films are produced outside of the major studio system they can afford to deviate from established film genres and explore the intricacies of specialized film subjects that may have limited audience appeal. Sometimes independent films gain theater screens when studio films fail to bring in audiences and must be replaced.**

### **Film Financing**

**In *The Feature Film Distribution Deal*, author John W. Cones outlines five major film finance/distribution scenarios: (1) In-house production/distribution; (2) Production-financing/distribution agreement; (3) Negative pickup; (4) Acquisition deal; and (5) Rent-a-distributor. (29-30) (See Table 3) The first scenario, In-house production/distribution, means that all aspects of a film's development will be handled by a single studio, with financial agreements in place before the start of production. The second of these cases, production-financing/distribution, differs only from the first in that a deal might be made with one or more parties for one or more territories in order to minimize and share risks (i.e. two studios sharing all production costs). The third scenario, the negative pickup arrangement, has a completed or partially completed project presented to studios or distributors for further funding and support. Acquisition deals, with production solely funded by outside sources, differ from negative**

pickup arrangements in that the funding is always done outside the studio system. The rent-a-distributor method gives access to a major's or mini-major's domestic theatrical distribution organization which is usually obtained for a relatively low fee. (Vogel: 105)

Historically, of the five options listed, deals with independent distributors have been primarily acquisition-based. However, this is changing with the current trends in major studio ownership of independent studios. The amount of capital which studios have to invest in possible new markets has given independent distribution arms a cash windfall. (See Table 3 for an explanation of primary sources and agreements)

Financing production for independents is significantly different than for major studios. Independent producers have produced approximately half of the films released by the major studio/distributors. This fact does not take into account the countless independent films that are created outside of the mini-major studio system that this study emphasizes. These truly independent films must find funding through whatever means available, and most do not ever see a return on investments.

The four stages of motion picture production are (1) development, (2) preproduction, (3) principal photography, and (4) post-production. (Cones: 141) These stages are noted because the independent producer/filmmaker encounters a different set of problems within each phase as compared to major studio producers/filmmakers. Most of the money for independent films is



acquired through a variety of sources, such as friends and family, speculative investors, and in some cases grants from different institutions such as the Corporation for Public Broadcasting, the National Endowment for the Arts, or the American Film Institute (although in recent years these sources have all but disappeared). (Kleinhans: 317) Contracts often rely on upfront salary waivers and deferred payment based upon the success of the film after it has been completed.

Financing for independent films has proven to be very difficult for filmmakers, due to a number of factors. First-time filmmakers do not have the luxury of previous work to demonstrate their abilities. Investors must rely on the strength of the script and the vision of the director as replacements for a past track record in the film industry.

Another option which has become increasingly popular is funding a film on personal credit cards. This concept has particularly flourished in the independent community, due to recent success stories such as Kevin Smith's *Clerks*, and Robert Rodriguez's *El Mariachi* (1993). These filmmakers funded their efforts by taking cash advances on their credit cards, in order to create their films. The downside to this method is obvious: financial ruin for the creator.

### Acquisition

Independent mini-major studios are primarily acquisition-based companies. This simply means that these companies acquire already completed

films for the majority of their output. The primary audiences for these films are highly segmented, niche audiences. Independent film companies usually select films based on the potential niche audience that can be reached.

As Jason E. Squire notes in *The Movie Business Book*, independent distributors have the flexibility needed to adapt to a quickly changing marketplace. (321) Since most independent film distributors buy finished films, they can limit the risk involved by avoiding the sometimes unpredictable costs of film production. (Levison: 138) Trends can be spotted and exploited on a rapid basis. Independent film distribution companies can also eliminate the uncertainty of how a film will turn out because they can see the finished product before investing any capital.

The question for some independent distribution companies has become one of production over acquisition. The risks of relying on the limited supply of quality independent films available at festivals for acquisition are considerably lowered if companies concentrate on actually producing independent films. Notes Samuel Goldwyn Jr. of Samuel Goldwyn Films, "I don't think the future of the business lies in chasing down acquisitions, it's in making pictures. People in this business are all going to find out that if they want those pictures they'll have to make them. It's the only way to be sure you've got the elements that you want." (Brodie and Cox: 74)

Indeed, a number of independent distribution companies have heeded Goldwyn's advice and taken on production responsibilities as well. The

extension of certain independent distributors into the production aspects of feature films has become increasingly popular in the past few years, with New Line/Fine Line and Miramax both expanding the number of films in production each year.

Film festivals have been given increasing importance since the mid-1980s, when the Sundance Film Festival and the Cannes International Film Festival rose in prominence with regards to profitable independent releases. Word-of-mouth can be generated by people who are interested in seeing films that have unique concepts, sometimes months in advance, creating a built-in audience. Former Fine Line President Ira Deutchman says, "The reason that festivals are so important in getting the interest from potential buyers is that it's the only way to get buyers to see the picture in an exhibition context where they can observe how the audience and press respond." (Squire: 323)

The Sundance Film Festival has become the premiere independent film festival in America. The festival began in 1978, and since 1984 has been sponsored by Robert Redford's Sundance Institute, a non-profit organization of independent filmmakers. Since its inception the festival has grown in prestige and has been the debut for many of today's most important independent narrative and documentary filmmakers. John Pierson, in his book *Spike, Mike, Slackers and Dykes*, looks to the 1989 Sundance Festival as a turning point in the evolution of independent film. He states that the film *sex, lies, and videotape* (1989) and its director, Steven Soderbergh, "changed the industry landscape"

with the help of Miramax films. (127) According to Pierson, the films in competition in the years leading up to the 1989 festival had diminished somewhat in quality and individuality, and most studios were losing interest in independent films as a viable source of income. When *sex, lies and videotape* debuted, however, there was an instantaneous positive reaction from the crowd, and bidding on the film became "spirited." As Pierson describes the scene, "Many of the failing companies made a last-ditch grab (for the distribution rights), hoping Soderbergh could be their savior." (127) Miramax won the bidding war (\$1.1 million), and went on to create an effective campaign for the film to be in the main competition at the Cannes Film Festival later that year (which it consequently won, beating, among others, Spike Lee's *Do the Right Thing*).

Sometimes films are screened at film festivals as a form of test marketing. Gramercy president Russell Schwartz showed the film *Four Weddings and a Funeral* at the Sundance Film Festival to see if its advertising campaign needed to be adjusted. Schwartz was concerned that the film might be perceived by American audiences as a very "British" comedy and therefore have only limited audience appeal. This was not the case, however, and the film was very popular with the Sundance audience. The film went on to become a major crossover hit, grossing +\$52.7 million in the United States. (Studios: 24)

Sundance program director Geoffrey Gilmore has said about the type of films shown at the Sundance film festival, "It's not like I'm trying to become Cannes West here...to some degree the distinction between studios and

independent films is becoming more and more gray, and we're reflecting that."

(James: 15)

In recent years more mainstream films have found their way into the festival. This has led to criticism of the festival in some circles. For instance, as the Sundance Festival has grown in stature and importance, it has become more and more a "launching pad" for independent films to begin their marketing campaigns and less a true independent film festival. This growth has prompted the creation of a number of offshoot festivals, such as Slamdance and Slumdance. These festivals were originally conceived in protest to the established festival. (L.A. Times: 1) It is interesting to note that the Slamdance Festival is now perceived by many distributors and studios to be a complement to the Sundance Festival and a serious festival in its own right. Sundance was once seen as the alternative to mainstream Hollywood. The fact that there are now alternatives to Sundance exhibits the evolving nature of independent film, the growing acceptance among the mainstream audiences of what is considered independent, and the need for new outlets to exhibit more subversive, exploratory films.

The Cannes International Film Festival, in France, is the most prominent international showcase for studio and independent films from all countries. While not strictly known as an independent festival, Cannes is used by both major and independent distributors to create business opportunities for films in foreign markets, as well as garner publicity from the awards competition. Many

films are shown with distribution deals already in place, and these films use the festival for foreign territory promotional purposes. (Brodie: 146) Most of the films that are considered to have profit-making potential are shown at the Cannes Festival with distribution deals already secured.

There are two competitions involved in the festival: a Directors' Fortnight (for first-time directors) and the main competition. As is the case with the Sundance Film Festival, films without secured distribution deals are often the subjects of highly competitive bidding wars between distribution companies. Film festivals are one of the best ways for independent films to gain exposure and generate positive word-of-mouth. Most independent film fans are aware of films that are being screened at festivals such as Sundance through extended media coverage each year. Most major newspapers, magazines, and entertainment-based television news shows now include articles and pieces on these festivals. As festivals grow larger, corporate sponsorship has become necessary to defer the costs of such growth. Sundance and the South by Southwest (SXSW) film festival are just two of the more popular outlets to acquire mainstream press coverage from the likes of such popular entertainment-oriented magazines as *Entertainment Weekly* and *Premiere*, as well as corporate sponsorship from entities like American Express and Lexus.

Obviously the growth of the festival circuit as a promotional outlet is a positive for independent filmmakers, but the amount of money that the major studios have invested in order to promote their own specialty divisions raises the

issue of the true independent nature of these festivals. The complex area of funding for such films again comes under scrutiny. Have some of the bigger festivals, such as Sundance, simply become the arena in which major studios promote their low-budget films, as produced by their specialty divisions?

According to the *Los Angeles Times*, there were 250 film festivals and film markets around the world in 1997. (1-13)

#### Film Distribution

Distribution patterns differ greatly between the majors and the independent studios. Most major studios now use the saturation release strategy when unveiling films. This method involves a massive amount of money only available to major studios to cover the costs of prints and advertising (P & A). Ordinarily these release patterns involve anywhere from 1,500 to 2,500 (or more) prints of a film. For instance, *Twister* (1996) was released on over 3,000 screens in its first week. (Variety, 6) The theater chains that were booking the film were anticipating large crowds in the film's first weekend (Memorial Day) due to a high awareness rate among moviegoers. The film's performance validated the unusually high number of screens, as the movie took in over \$46 million in its first weekend, and eventually went on to gross over \$242 million domestically. (Internet Movie Database)

The more cost-effective releases are known as platform releases and limited releases. The platform release is preferred by "mini-major" studios such

as Miramax and New Line/Fine Line, and includes 3 stages of release for the film. The first stage, for 1-2 weeks, is 10-20 prints each being released in a single large theater in one of the top 10-20 (New York, Los Angeles, Boston, Chicago, etc.) markets in America. Stage 2 has the film opening wide a week later, with an additional 15-30 prints in each of those 10-20 major markets. Stage 3 has the film opening wide in any number of smaller cities (markets #21-200) with an increase to 150-600 prints, around America during the next 4-6 weeks. (Moviemaker)

The limited release is more often what independent studios opt for when establishing a release schedule for a film. As noted above the print and advertising costs run high for a film, and this type of release schedule is less restrictive on the budgets of most independent companies. With the limited release a film will open in just a few select theaters in the major markets (New York, Los Angeles, and Chicago). If the film is well received at the box office, it will make its way into a smaller scale of a platform release. (Moviemaker) Some examples of this type of film are *The Crying Game* and *Sling Blade*. Major studios also employ this strategy when a distributor has reached the conclusion that a film is not as good as once hoped. Since the distributor is contractually obliged to pay-cable and home video buyers, the film will open in major cities for a minimum of one week in order to guarantee the eventual sales to these ancillary markets. The term ancillary market refers to secondary outlets for film distribution such as home video, pay cable, and network television.



If a distributor has a well-received small film, but no access to the capital required for a saturation release, a market-by-market release can be implemented. This involves making 20-40 prints of the film and play it in one region after another over an extended period of time until the country is eventually saturated.

The topic of four-walling must be described within this framework as well. Although not a typical practice among filmmakers, four-walling involves renting a theater (the four walls) for an upfront weekly fee, and in return, keeping any profits that the film earns. (Lewis: 74) An intensive advertising campaign is created and implemented in key demographic areas to ensure an audience for the film, usually involving heavy local television advertisements. Perhaps the most famous case within the independent movie business is the case of *Billy Jack* (1971). The film performed poorly when first released, but producer and star Tom Laughlin, through four-walling, proved that the film was a success by designing an advertising campaign that highlighted many different facets of the film in order to appeal to the broadest audience possible. The film's success (over \$1 million in its first week of re-release in Southern California) was noticed by the major studios, who were quick to appropriate the films marketing techniques. Soon, the majors were "reallocating media spending away from print and heavily toward television, customizing the advertising campaign to appeal to the particular demographics of a region, and (employing a) saturation release

throughout a well-defined region." (Wyatt: 111) This style of media campaign is still in effect today with most major-financed films.

The trend in the movie business has been geared to the largest return to the distributor over the shortest amount of time, and a picture's opening weekend gross has become much more important to its success than in the past. Many in Hollywood believe that a picture that does not open to impressive business is a failure. Yet most independent films do not seem to fit within this economic mindset. A small, offbeat film usually must be nurtured and given time for word-of-mouth or critical notices to take hold. Given the subject matter of many independent films it is easy to see how many never recoup their initial investments. The economic environment that has pervaded Hollywood has given rise to increased expectations for a film's domestic box office receipts. Independent films are no exception to these expectations, and an examination of the past few years lays claim to this statement. Many smaller distributors, such as New World, Avenue, Cinecom, Taurus, 21<sup>st</sup> Century Pictures, Vestron, and Cineplex Odeon, among others, have been forced to claim bankruptcy or get out of the business altogether. (Klady: 16)

### Film Marketing

It is important, in order to ensure the survival of an independently distributed film, that every step in the release of such a film be carefully plotted out and public awareness is as high as possible.

One of the most crucial steps in the consideration of any independent film is the marketing campaign created to build an audience for a film. This element can be best understood by considering the similarities and differences between independent films and major studio films.

Film marketing can be understood as "any element that assists a film in reaching its target audience at any time throughout its life." (Durie, Pham, and Watson: 15) Many factors are considered when a campaign is created, such as print advertisements, posters, trailers, promotions, and merchandising. All of these elements work in tandem to create public awareness for a film, as well as the specific desire of an audience to see a film. Since so many independent films rely on good critical advances and strong word-of-mouth, it is imperative to create a campaign which will maximize the film's audience while minimizing costs to the distributor.

Buffy Shutt and Kathy Jones, the heads of marketing at Universal Pictures, remark that if a film is not a hit at the box office during its opening weekend, the film's marketers are often blamed. (King: 1) The reason for this is due to the marketers' responsibility in creating the advertising campaign for the film, which includes, but is not limited to television commercials, posters, trailers, print advertisements, and radio advertisements. Shutt and Jones operate on the guideline of a "five year rule," meaning that demographics, advertising, and moviegoing habits change every five years. This philosophy results in film

marketers having to constantly update their marketing strategies to keep up with current market trends. (King:1)

There are certainly some basic rules which both independent and major distributors follow. Obviously, media buys should be based on a film's expected gross. "It is important not to outspend your revenues, or underspend your potential." (Squire: 292) Independent film distributors need to practice careful cost management and concentrate on high quality films that will maximize audiences and profits.

Independent films differ from mainstream studio pictures in that they usually pursue a small, niche audience. In terms of film distribution, the term niche audience refers to a specific, small film audience that is interested in film for its deeper aesthetic or dramatic qualities, including, but not limited to some psychological, cultural, or socio-historical insight. (Rosen and Hamilton: 265) Since independent films are usually targeted at small, niche audiences, and budgets are usually constrained with regards to print and television advertising, much more planning must go into other available outlets for promotion and publicity. Marketing independent films presents much bigger challenges, due to the fact that most of these films do not have mass audience appeal. They must be marketed differently because of their appeal to smaller specialized audiences. This study examines print and television advertising, as well as promotional and publicity considerations in order to come to a better understanding of independent film distributors and audiences.

Since the budgets of independent films are generally much lower than the average Hollywood studio film, the return on such a film can be lower while still making a modest profit and be considered a success. Print advertising is the medium of choice for the independent distributor, since critical reviews are featured prominently, and expenses are streamlined. Much more expensive is a television advertising campaign, usually preferred, in tandem with print advertisements, by the major studios. Major studios can exploit this marketing strategy since they have the capital to invest in such campaigns. As noted earlier the saturation release has become the preferred method of release for the majors, in order to capitalize on the public awareness of a certain film, and maximize profits in a minimum amount of time by reaching a mass audience. (Austin: 83)

The independent distributor cannot afford to invest in such a large campaign, but it is usually not necessary to do so in order to achieve some degree of success. The independent niche film is a smaller risk than a major studio film because profits are expected to be smaller, and investments are never as large. The film's concept becomes the "star" of the film, so to speak, in advertising campaigns. Critical reviews are highlighted because film critics can explain a film's concept to potential audiences, and they cost nothing to distributors. As Miramax's Mark Gill points out, "Undeniably at Miramax...many of our movies don't have three triple-A stars, so we're asking an audience to come and enjoy something they don't know much about. Critics are a big part of

that." (Evans: 111) Along those same lines, a film receiving wide critical praise can decrease spending on advertising by running smaller print advertisements which feature only the theaters showing the film and showtimes. (Evans: 111)

The film industry works on the principle of committing to celluloid a series of moving pictures that people will pay money to view. The main goal of the film industry then becomes how to sell a film to an audience. (Austin:1) Mainstream, mass-marketed films from the Hollywood system usually try to appeal to as broad an audience base as possible. Awareness of a film is created through television advertising campaigns, theater previews in the form of trailers, home videocassette trailers, print ads, billboards, bus posters, merchandising, and promotional tie-ins. For instance, McDonald's fast-food restaurants usually align themselves with 3-4 films per year. The company will pay money to assist in a film's production in trade for promotional consideration, product placement, or use of any logos and characters from a film for advertising purposes. (Schatz: 33)

The intended effect of all of these strategies is to make as many people as possible aware of the movie's opening date in order to ensure strong box office receipts during the film's opening weekend. Marketing has played an increasingly important role in these films. Many critics charge that concentration on plot development and character development has been overlooked in order to concentrate on marketing possibilities. The term "synergy" refers to "the

commercial possibilities of mutually interlocking commercial ventures,” and describes this ever-expanding role of marketing in motion pictures. (Wyatt: 70)

One of the most important tools for cross-promotion within the film industry is the film soundtrack. Many major studio releases have an accompanying soundtrack album featuring popular songs in the film. Such diverse films as *American Graffiti* (1973), *Flashdance* (1982), *Footloose* (1983), *Top Gun* (1986), and *Batman* (1989) all featured soundtracks that were popular on music charts as well as the box office. The idea behind the soundtrack is to offer another avenue of promotion and visibility for a film while contributing to the overall profit of the film. In most instances the major studios are part of conglomerates that own record labels as well. In recent years, the soundtrack has been used as a marketing tool for independent features. Many of these film soundtracks feature up and coming, “alternative” bands that not only benefit from the exposure, but cost less than proven acts to licence, providing a mutual system of advertising for each other. It must not be overlooked that most of these independent soundtracks are coming from distributors that have been acquired by major studios who have a vested financial interest in the performance of both films and music-oriented product.

Another aspect of film marketing that needs to be examined is the phenomenon of film merchandising. Within the past twenty years film merchandising has become a highly sophisticated venture. Since the debut of *Star Wars* (1977), product merchandising opportunities have flourished. A

specific type of film that can support such opportunities has become the center of attention for most of the major releases from studios. The Walt Disney Company is one of the most adept at creating films with easily merchandisable characters and concepts. In the children's film genre, licensing opportunities in music, books, comics, and toys are multitudinous. (Vogel: 85) Films such as *Aladdin* (1992), *Beauty and the Beast* (1994), and *The Lion King* (1995) have generated enormous amounts of capital for the Walt Disney Company, and have led to successful spinoffs in home video and soundtrack releases. (Schatz: 31)

Independent films have not found many avenues to pursue with regards to merchandising. This can be attributed to a number of factors. Of course, there is the obvious reason that independent budgets usually have very limited finances earmarked for advertising in general, much less any funds set aside for merchandising considerations. Also, most independent films are released with an R rating, and potential merchandisers ordinarily shy away from pictures that are rated R. Traditionally, pictures rated G, PG, and PG-13 are acceptable to corporate advertisers, because the impression of "family entertainment" is created. (Yarrow: 13) Hollywood studios are eager to compromise any questionable content in order to please possible sponsors, which stands in direct opposition to most independent filmmakers.

If there is a case, by independent standards, for a type of merchandising, it revolves around the promotional items that are given away by filmmakers, distributors, and studios at film festivals, markets, and picture openings.



Products such as t-shirts, caps, buttons, and coffee mugs are created and distributed to cast and crew, as well as to screening participants and film festival attendees. While these items are not usually sold in great volume, they can add to a picture's visibility. Miramax and Fine Line are two of the distributors that are experimenting with merchandising through the Internet. This is yet another area in which the independent studios are assimilating the major studios' marketing methods. Studios can spend millions of dollars to promote their films, but it is all for nothing if people do not become interested in the film. Merchandising is ultimately an extension of the success or failure of the story, but also a function of the forces put behind products in the marketplace. (Lukk: 196)

In order to better illustrate this concept, consider *Jurassic Park* (1995), Stephen Spielberg's hit film involving the re-creation of dinosaurs on a remote island. The film was supported by a massive McDonald's tie-in (which featured collectors' cups), a soundtrack album, a videogame, and numerous merchandising opportunities that included toys, clothes, and candies, to name a few.

In the past three decades major studios have refined their merchandising techniques at the expense of creative, original storytelling. Since merchandising of this nature, when successful, can be so profitable, there is likely to be an even greater proliferation of supplementary promotional products in the future.

Independent films have been limited by the amount of budget allocated for advertising and marketing. Traditionally, these films have relied on positive

word-of-mouth and critical praise as the primary forms of marketing. With the structure of "platform" releasing, it is possible to release an independent film in a few large cities in order to create some interest in the film. The goal becomes to create enough "buzz" around the film to then release it in some of the smaller markets.

This publicity is created in a number of ways. Film festivals are one of the more traditional outlets for promotion that most independent distributors exploit. Other avenues of publicity include critical reviews, free screenings to build word-of-mouth, magazine and newspaper articles, and entertainment-based television programming such as "Entertainment Tonight."

Sometimes films are screened at film festivals as a form of test marketing. Gramercy president Russell Schwartz showed the film *Four Weddings and a Funeral* at the Sundance Film Festival to see if its advertising campaign needed to be adjusted. Schwartz was concerned that the film might be perceived by American audiences as a very "British" comedy and therefore have only limited audience appeal. This was not the case, however, and the film was very popular with the Sundance audience. The film went on to become a major crossover hit, grossing +\$52.7 million in the United States. (Internet Movie Database)

Since the cost of creating many prints of a film is extremely prohibitive, the method of initial selective-releasing has been favored in the past. However, since most of the major studios have either created or purchased specialty divisions, this method of platform releasing has decreased slightly in the past

few years, as wider releases have become more commonplace. Unfortunately, many independent films are difficult to simplify for effective advertising campaigns. It is difficult for advertisers to extract the essence of complex plot and create a unique campaign that can be sold in 30-second time slots. This, in turn, makes it more difficult to appeal to a broad base of moviegoers, and limits an independent film's potential box-office revenue. Successful independent films are the exception, rather than the rule, when defining marketability.

## CHAPTER IV

### TRENDS WITHIN INDEPENDENT FILM IN THE LATE 1980S AND 1990S

What most appeals to independent filmmakers and distributors is the amount of creative control and autonomy over the films that are made.

Independent films can provide the opportunity to explore difficult subject matters in new and subversive ways. Given the fact that mass audience considerations are not among most independent filmmakers' initial concerns, unique plots and structures can be explored much more fully than at the Hollywood studio level.

Major studios have come to rely on a shrinking number of genres to ensure financial success. Action/adventure films, comedies, thrillers, and buddy films are some of the more popular genres to continue to be produced in the Hollywood studio system of the 1990s. The major reason for this is one of safety considerations. With budgets spiraling upward, questions about the public's acceptance of any given film must be eliminated. If a certain type of picture has been successful in the past, industry thinking promotes the creation of others only slightly different in formula, tone, and ending. Marketing considerations become streamlined, and techniques are appropriated that have been successful in the past. One of the major benefits that independent distributors

have in promoting films is that differentiation can be a major selling point to an audience that is tired of mainstream pictures. Among the unifying elements among these films is "an attention to theme, character relationships, and social relevance." (Wyatt: 96)

Independent films were once viewed within the industry as having limited appeal to audiences, and limited potential for commercial success. In the past few years, however, independent films have been crossing over from niche audiences to mainstream audiences. Successful crossover films are carefully marketed in order to achieve growth in their audience appeal. Crossover films can be defined as films whose initial appeal is limited to a small audience segment and then the audience segment grows. Crossover films are usually slowly released to theaters in platform release or limited release, and then opened wider as success warrants. (Levison: 132) The goal of independent distributors becomes to position a film in the marketplace and allow it time to gain good word-of-mouth notices and find its audience. The tendency in recent years, however, has been for independent studios to oversaturate the market with films in order to attempt to recoup initial acquisition investments more rapidly. The trend at film festivals in recent years has been aggressive bidding for unproven films, which can create an urgency on the part of the distributors to rush the film out with a bigger advertising campaign in hopes of a big box office take. *The Spitfire Grill* (1996) exemplifies this point conclusively. The film was acquired for more than it was worth, and disappointing box office revenues

caused the independent distributors to re-evaluate the amounts of money that were being spent on acquisitions.

Specialized audiences have always played a big part in the success of an independent film. Most mainstream films are packaged around a certain star or concept (i.e. Harrison Ford as President of the United States). Independent films, while continuing to emphasize off-beat storylines, are increasingly using actors/actresses who have come to be associated with work specifically in independent films, and trading on their images within the independent sector to lend to a film's credibility. In a move that furthers the argument that independent film has grown into a miniaturized version of the major studio system, certain actors'/actresses' star personas have been exploited to lend integrity to a film's "independent" qualities. For instance, independent actresses such as Lili Taylor and Parker Posey, actors like Steve Bucemi, and most importantly, directors such as Quentin Tarantino and Kevin Smith have based careers on the independent aesthetic of choosing projects for their (perceived) high quality. This trend has been carried further by major Hollywood studios, who now look to the independent film sector for up and coming stars. This arena now serves as a training ground for actors/actresses who could not otherwise find work in larger budget films, and (usually) offers much more dynamic acting roles for actors/actresses to prove themselves. Major studios can then appropriate the actor's independent work as validating the worthiness of a larger project, and lending sought-after credibility to otherwise repetitive, less challenging films.

Take, for instance, the example of Ben Affleck, one of the more recent actors to begin a successful career in independent films and transition to mainstream Hollywood films. Affleck starred in a number of low-budget films, such as *Glory Daze* (1996), *Chasing Amy* (1997), and *Going All the Way* (1997). He received generally favorable critical notices for his work. His big break came when the screenplay for *Good Will Hunting* (1997), which he had written with friend Matt Damon, was optioned by Miramax and put into production with independent director Gus van Sant and major Hollywood actor Robin Williams attached to star. Much press coverage was dedicated to the story of Affleck's and Damon's friendship and their small, character-driven script. They would go on to win an Academy Award for their screenplay that year, and much high-profile media coverage as the underdogs who beat the odds in Hollywood. Affleck is only one of many stars capitalizing on the increased visibility of independent films and is mentioned as an example to define just how interconnected the relationship has become within the film industry between independent and mainstream films.

Independent films have a much more difficult path in order to attain success. These films reach success when they generate good prerelease critical reviews, good public relations, and good word-of-mouth. (Levison: 89) Success is not guaranteed by meeting these requirements, however. Many intangible factors are also at work in the equation of a successful independent

film. Many times it can be as simple as being "the right film, in the right place, at the right time."

Independent films can "cross-over" and gain greater commercial success when their initial small audience appeal grows into a broader audience appeal. This notion of "crossing-over" to the arena of more mainstream studio films has been given much more credence since the late 1980s, when *sex, lies, and videotape* showed the major studios that art house films were no longer relegated to small box office figures. This scenario was re-written entirely when *Pulp Fiction* entered the marketplace in 1994 and went on to gross over \$100 million dollars.

A segment of the film industry would like to argue that "a film does not need to be marketed, since it is art, the intrinsic value of which will be instinctively recognized by its audience." (Durie, Pham, and Watson: 14) As a business, however, the main goal of a distributor is to cover any initial investments and ultimately profit from a film by maximizing the audience and thereby the earning potential of the film.



## CHAPTER V

### CASE STUDIES OF CRUCIAL DISTRIBUTORS AND INDEPENDENT FILMS

#### Miramax

Harvey Weinstein, one half of the founding team of Miramax Films (brother Bob Weinstein is the other half), says that, "Miramax has always been about trying to be a Rolls Royce--a company that makes good cars, beautiful cars. Maybe they don't sell the way GM does, but we're really proud of what we do and the quality we put into the project. There are no grand designs here to be number one at the box office." (Evans: 111)

Miramax Films has been one of the more noticeable independent companies of the past ten years. Brothers Bob and Harvey Weinstein have managed to turn Miramax into one of the most recognizable and trusted names in the film industry. They have a keen sense of what will drive people to the theater, and have mastered the use of non-traditional publicity outlets for generating awareness of their films. Controversy has been the main element of publicity for a number of Miramax films. Many of these films, including *Clerks*, *Kids*, *Tie Me Up! Tie Me Down!*, and *The Cook, The Thief, His Wife, and Her Lover*, have all benefited from the publicity created by controversial ratings

challenges. Most newspapers will not carry advertisements for a film that has been rated NC-17 (or, previously X), and Disney, the studio's owner, is prohibited from releasing unrated films as a member of the MPAA. Miramax, in turn, has had a history of appealing such ratings for its films. The subsequent proceedings are almost guaranteed a spot in the newspaper headlines. While such instances may not seem on the surface to make much of a dent, it does amount to a free promotion for the film at no expense (minus lawyer fees) to Miramax. There have been a number of successful independent studios within the past ten years, but certainly none more high-profile than Miramax Films. Brothers Harvey and Bob Weinstein have created an independent success story through a combination of smart acquisitions, shrewd marketing techniques, and a merger with parent company Walt Disney.

The company's role in the film industry has been evolving ever since the company was formed in 1979. Harvey and Bob Weinstein began as concert promoters at the University of Buffalo in New York. An old movie theater in Buffalo was purchased and renovated, and they began booking major musical acts in the theater. (Cerone: 10) In order to earn money for the expenses incurred by running the theater, they began running concert films part-time in the theater. Eventually, they got out of the concert promotion business altogether, in order to concentrate on film acquisition and distribution full-time. The new company they formed was christened Miramax, after their parents, Miriam and Max. They began purchasing and distributing various films, including one of

their first major hits, *The Secret Policeman's Other Ball* (1982), a comedy/concert film comprised of live benefit concert footage for Amnesty International. (Thigpen: 44)

One of the first marketing strategies to draw national attention occurred with *The Thin Blue Line* (1988), a documentary about a wrongful murder conviction in Dallas, Texas. The film became somewhat of a sensation after it helped a court to throw out the murder conviction and freed its subject after 13 years of imprisonment. (Thigpen: 44; Cerone: 10) Miramax's motives were questioned for the first time as well, with skeptics charging that the timing of the news blitz was of more benefit to the movie's videocassette sales and television premiere than its theatrical box office. (Thompson: 72) The movie went on to gross \$1.2 million in its domestic run, but more importantly, it gave the company a name. (Internet Movie Database)

The first of many shrewd marketing techniques that employed the Miramax standby of public controversy was used for the film *Scandal* (1989), about British defense minister John Profumo's sexual affair with a call girl that toppled his government in 1963. (Cerone: 1) The film received an X rating by the Motion Picture Board of America (MPAA). This was to be the first of many battles with the MPAA and its director, Jack Valenti. The company lost an appeal of the rating, and the film was eventually trimmed of a graphic group-sex scene in order to be released with an R rating. Miramax realized a modest profit as the film went on to gross \$7.5 million at the box office. (Internet Movie

Database) The lesson that was learned by the Weinsteins from this experience seemed to be that controversy sold tickets, and that any publicity was good if it got the film into the public's consciousness. This would be the first case in what would become a standard pattern of publicity for a Miramax film. Forbes magazine estimated that in 1989, Miramax doubled its business over the previous year, grossing approximately \$28 million and up to \$5 million in pretax profit. (Fleming: 9)

At this point, shortly before the release of the landmark *sex, lies, and videotape*, Variety ran a spotlight piece on Miramax and labeled it as the leader among specialized independent distributors. The article went on to state that this surge was "propelled by a 1988 equity finance and revolving credit line provided by Britain's Midland-Montagu Investment Group. Currently Miramax draws on a \$30 million Chase Manhattan credit line to fund its acquisitions and marketing as well as to back production commitments." (Cohn: 16) The company also closed a deal to receive a \$5 million advance from U.K.-based Rank in return for a guarantee that Miramax do its processing business with Rank's Technicolor labs. Rank also possessed a 300-title film library, which many saw as potential source material for Miramax. (Frook: 101) These facts are of importance in order to mark the increasing amount of capital that the company had at its disposal for acquiring larger and larger numbers of films. Miramax also unveiled a new division, Prestige, which would specialize in foreign films in an effort to keep the company involved in the art house genre.

(Fleming: 3) A foreign division of Miramax Films, Miramax international, was also launched to handle foreign sales in all media. (Cohn: 16) On the ancillary market front, Miramax announced a licensing, output and cross-promotion deal with the Bravo cable service that would make them partners in the foreign-language film business. The six-year licensing agreement initially covered 17 foreign-language titles that Miramax held, but would include up to 100 over the course of the agreement. (Cohn: 36)

Miramax's financial prospectus was looking very stable heading into 1993. The company was not deep in debt, as it did not do a huge amount of borrowing. Though certainly not the first time that they had considered either selling the company or merging with a major studio, the Weinsteins began to aggressively pursue potential partners in late 1992. (Brennan and Fleming: 90)

Openly courting buyers such as Paramount and 20<sup>th</sup> Century Fox from the mainstream studio system, Miramax was acquired by the Disney Company in 1993. The move marked the latest in a long line of acquisitions of independent distributors in Hollywood, as the independent studios sought alignment in order to "battle booming marketing and production costs, capture fragmented audiences and scramble for bigger market shares." (Eller and Froom: 1) Disney acquired Miramax because the company was impressed by Miramax's ability to distribute commercially successful independent niche films. Miramax generated over \$60 million from *The Crying Game* at a time when it was thought within the film industry the absolute maximum an art house film could gross at the domestic

box office was around \$30 million. (Klady: 16) This success occurred after a slow year (1992) for Miramax and put to rest any rumors of the company's financial troubles within the industry.

Disney benefited from the Miramax acquisition because there was instant access into the niche film marketplace, which would complement their mainstream release schedule nicely and offer the added bonus of critical esteem and potential Academy Awards (Eller and Froom: 1). Miramax benefited from the acquisition by gaining stable financial backing, entry into more theaters for exhibition of their films, and the recognizability and prestige associated with major studios. Then-chairman Jeffery Katzenberg emphasized that, "the deal enables Disney to tap into Miramax's resources of unusual independent filmmakers and talents who generally shy away from Hollywood and provides Miramax with a powerful array of marketing and distribution tools that the company never had." (Weinraub: 39) At a press conference soon after the acquisition took place, Harvey Weinstein remarked that he "...is proud to be a part of Disney, and Miramax is a good corporate citizen." While the estimated price of acquisition for Miramax by Disney was not disclosed, the deal was speculated to be in the \$60-\$90 million range, with Disney picking up Miramax's extensive array of debts as well as an upfront cash payment. (Froom: 75) Disney's acquisition of Miramax became its fourth movie label, along with Walt Disney Pictures, Touchstone, and Hollywood Pictures. Initial terms of the deal

called for Miramax to continue to distribute approximately 20 movies a year.

(Hammer: 52)

Mark Gill, the Vice President for marketing for Miramax, says of the Weinsteins, "Harvey (and) Bob...are phenomenal angle-seekers. (They are) the two single best marketing people I've ever met, by far. They have extraordinary instincts, they have a real passion for movies, and they put more energy into it than anybody else does. Clearly, they are exceptionally astute about what makes people go to the movies." (Lukk: 27-8)

Disney's family-friendly image was going to be taken to task, however, as the relationship between the two studios would strain at times. Miramax was certainly no stranger to controversy, and in fact, seemed to invite such battles with the Motion Picture Association of America (MPAA), among others. The distributor would regularly be restricted by the MPAA for its provocative trailers. (Two: 4) (Mathews: 1) As stated previously, the studio's battles with the MPAA were incessant, with such films as *Tie Me Up! Tie Me Down!* (1990), *You So Crazy* (1994), and *Truth or Dare* (1991) among the films that had to be trimmed or dropped completely in order to satisfy the MPAA. (Too Blue: 79; Fox: 1) Miramax's marketing strategy before the takeover relied heavily on controversial aspects of films in order to drum up publicity at no charge to them. In 1994 Miramax encountered difficulties with the MPAA ratings board on its release of *Clerks* (1994), director Kevin Smith's film of a day in the life of a convenience store clerk and his friend, a video store clerk. The film was shot in black and

white on a limited budget of \$27,000, and was one of the big hits of the Sundance Film Festival that year. Miramax acquired the film and proceeded to prepare the film for theatrical release. However, when the film was submitted to the ratings board, it was returned with an NC-17 rating, the most restrictive a film can receive by the MPAA. The NC-17 rating effectively limits the number of theaters willing to exhibit such a film as well as the number of outlets where the film can advertise, since many newspapers prohibit the inclusion of NC-17 films in the movie listings section. In the history of the ratings board a film had never received such a restrictive rating solely on the basis of language. The film contained no frontal nudity, gratuitous violence, or other characteristics that usually earmark a film for the restrictive rating. Miramax jumped into action on the publicity front, hiring Alan Dershowitz, a famed lawyer, to handle the appeal of the film's rating. This made newspaper columns around the country and basically served as free publicity for the film. John Anderson noted that "Miramax...is getting as much mileage as possible out of this latest exercise in outrage from MPAA chairman Jack Valenti's gang of bluenosed button-pushers, and that's probably good. Given the company's parentage (Disney), an NC-17 rating isn't going to benefit anybody, although attracting attention to the issue (of ratings) can't hurt." (362) Miramax won the appeal and *Clerks* was released with an R rating. Jack Valenti, the aforementioned chairman of the MPAA, called Miramax's challenges of the *Clerks* rating a "marketing stunt." (Peyser and Howard: 24)



Another Miramax film that faced many marketing challenges, *Priest* (1994), introduced concepts that were inherently controversial: incest, homosexuality, and "a priest's duty to God versus his own conscience." (Gleiberman: 42) The high level of audience awareness generated by the film's controversial choice of a specific release date again highlighted the cunning marketing abilities of the Weinsteins.

Miramax acquired the rights to distribute *Priest* for \$1.75 million from British television. The intent of the film according to its director, Antonia Bird, is to expose intolerance in the Catholic Church. The film's release date created controversy in America, as Good Friday, the religious holiday before Easter, was selected to open the film. Miramax held early screenings of the film for clergy members and Catholic interest groups in major markets, "hoping to spark comment pro and con on its merits...then...take advantage of Easter weekend to incite the church's vocal wrath." (Thompson: 34) The film's release date was eventually changed, due to a high number of bomb threats at theaters scheduled to exhibit the film, protests from various religious groups such as the Catholic League, and possible boycotts of Miramax parent company Disney. (Pull: 4) (Fleming: 44)

Harvey Weinstein remarked at the time of the release, "I'm a brilliant marketer, by my own modest opinion, but I'm not that good. We changed our mind with the protest. Everyone originally thought this was a thoughtful period for re-examining faith and dealing with issues, and it was not meant to insult

anybody." (Thompson: 34) New Line's then-marketing president Chris Pula, saw the film and its ensuing conflict in another light, stating, "The whole Good Friday release is so transparent, it's laughable, but at the same time it's brilliant. (The film) might have done nothing without controversy." (Thompson: 34) The film, which cost approximately \$2 million, went on to make a modest profit (\$4.16 million) for Miramax. (Internet Movie Database)

Perhaps the best film to measure the controversial nature of Miramax's advertising and marketing procedures is *Kids* (1994). The release of the film is a good example of the types of drawbacks that independent distributors encounter when major studios accustomed to releasing only mainstream products acquire them.

Harmony Korine, a then-19 year-old screenwriter with no previous experience, wrote the screenplay for the film. *Kids* was directed by Larry Clark, himself the subject of some controversy as a photographer with two questionable photography books of children in compromising situations and various states of undress. (Mark: 39) This combination of a controversial script and director seemed like a natural choice for publicity-hungry Miramax. The Weinsteins paid \$3.5 million for the distribution rights to the film, and submitted a print to the MPAA for a rating. When the film received the NC-17 rating, the now familiar Alan Dershowitz was brought in to argue the film's case. He argued that the film "is a landmark...that deals with some of the realities of today's teens." (Young: 17) Dershowitz also attempted to sell the film not as pornography, but, "about

rape...(and) about drug-induced stupors and sexual irresponsibility...(and the emotional exploitation of young women by predatory young men." (CNN website) The MPAA board denied the appeal for a rating change, so Miramax had to respond quickly in order to retain the rights to the film. Miramax's parent company Disney, as a member of the MPAA, was not allowed to release the film without a rating, and the family-friendly company was certainly not about to release the film as rated by the MPAA board. Harvey Weinstein vowed, "No other distributor is going to get *Kids*." (Thompson: 37)

It was then decided that the Weinsteins' only chance to distribute the film without editing the numerous objectionable scenes was to form their own, separate distribution company to release the film. Excalibur Pictures was formed at the personal expense of the Weinsteins. They ran into yet another obstacle when it was learned that another company was already using their chosen name. So they changed their name to Shining Excalibur Pictures just in time to correct the credits on the prints of the film that were shipped to theaters for exhibition for the opening date. (Evans: 15) The film debuted on two screens in July of 1995 and grossed over \$85,000 in its first week of release. *Kids* went on to make approximately \$7 million at the box office. (Internet Movie Database)

Showing major studio tendencies, Miramax also released a soundtrack album for the film, which had a minor alternative radio hit in Folk Implosion's "Natural One."

Miramax has done an excellent job of noticing the shifting demographics of the population of the United States, and realizing that the adult audience has been underserved by the major Hollywood studios. The company has always attempted to reach audiences that are interested in films outside of the traditional "summer blockbuster" releases like *Twister* (1996), *Independence Day* (1996), and *Men in Black* (1997). *Variety* speculates that Miramax has been trying to fill the gap in the choice of niche film releases which was created when New Line Cinema began to produce more mainstream films. (Brodie and Evans: 9)

Miramax developed Dimension Films in 1992 in order to, "bring Miramax's reputation for quality to science-fiction and horror films." (Brodie and Evans: 14) The division was created by Bob Weinstein in order to release some of the less highbrow films that Miramax has acquired under a different name, so as not to confuse art house fans and genre fans alike. The company has targeted genre films as a growth area, as well as what Harvey Weinstein terms "black (African-American) films," The label has had its biggest success with *Scream* (1997), a self-reflexive horror film that blended an ironic sense of humor with standard horror fare. The film has grossed over \$200 million worldwide, and its sequel, *Scream 2* (1998) has grossed over \$100 million. (Internet Movie Database)

Coupled with the constant publicity created by controversial films, and the personal attention to every detail of a film's marketing campaign by the

Weinsteins, Miramax has achieved a level of success that most in the independent film industry will never attain.

Miramax also plays an important role in the funding and distribution of European films in the United States. The Weinsteins have had an aggressive acquisition policy towards European films, in order to build a strong library of films that could rival major studios in productivity and volume. Miramax has a reputation for being the first to know about hot new talent and screenplays across Europe. (Finney: 103) The company has committed millions of dollars to productions that are created in Europe in return for distribution rights in the United States. One such example of this partnership between Miramax and European companies is *The Wings of the Dove* (1997). Miramax contributed \$13 million in 1996 to finance the Henry James adaptation, which was directed by Iain Softley. Miramax then acquired the distribution rights for U.S. theatrical release. (103) This type of agreement is becoming more and more standard in Europe, as filmmakers there attempt to reach a wider audience, yet lack the funds to produce and compete on the Hollywood level.

Budgets on major American studio productions have skyrocketed, while European films have had to remain relatively cost-efficient. Hollywood has also been accused of stealing most of the European talent, such as directors and actors/actresses away from their countries of origin with the promise of higher budgets and salaries. This practice is seen by some as impossible competition for European filmmakers to overcome. (Segrave: 247) While Hollywood films

have traditionally been the most popular around the world, funding for European cinema through studios such as Miramax allows for healthy growth which eventually benefits the major studios. (Lev: 128)

### New Line/Fine Line

Another successful independent company is New Line Films. Founder Robert Shaye, the son of a Detroit small-business man, went to law school and then studied copyright law in Sweden on a Fulbright scholarship. (Taubin) He started New Line in 1967, as a distributor of offbeat films. He was also a filmmaker, earning the grand prize (split with Martin Scorsese) in a national competition for under-25-year-olds. (Taubin) It is the fact that Shaye is both a filmmaker and a businessman that many attribute to New Line's success. Michael Lynne, New Line's President and friend of Shaye's since 1961, says, "Bob's a founder-manager. The company was his idea, his blood, sweat, and tears. He spent a significant part of his adult life making New Line what it is. It's really a throwback to the days when individual entrepreneurs created the movie business and every studio was owner-managed. New Line is probably the last one of that kind." (Taubin)

New Line Films has created a successful niche for itself by having a keen nose for commercial genre and ethnic pictures. For instance, both the *Nightmare on Elm Street* and *Teenage Mutant Ninja Turtles* franchises have proven to be huge commercial successes which served the teenage and

childrens' markets, respectively. The *House Party* films were successful in reaching the African-American audience. More recent commercial films that New Line has produced include *Dumb and Dumber* and *The Mask*, both featuring Jim Carrey. While not necessarily independent in their subject matter, these films were all financed outside of the major studio system.

In 1990, New Line launched Fine Line, its art-film division. The company was set up when Shaye felt that New Line's distribution goals had shifted to more commercial enterprises. He comments, "...when good art movies started showing up (in the late 1980s), I was afraid that New Line's marketing and distribution vision had refocused on the broader, more commercial market, so we started Fine Line (to focus on) smaller films." (Taubin) Fine Line has released many successful pictures, including Robert Altman's *The Player* (1992), and *Shine* (1996).

In 1996, New Line/Fine Line merged with Time Warner as part of the Time Warner/Turner Broadcasting deal. The company was seen as a prime acquisition for a major studio, given its past track record, and Shaye's years of experience with both commercial and independent films. This did not lead to an easy relationship between the two, however. Much like Miramax's *Kids*, David Cronenberg's *Crash* (1997) had difficulty with the MPAA. Ted Turner openly denounced the film and its portrayal of people who become sexually aroused by car crashes. However, Ted Turner was overruled by Time Warner, and the film was released with an NC-17 rating by Fine Line.

The acquisition of New Line/Fine Line by Time Warner/Turner is another example of the independent community being exploited for its niche audiences and successful strategies.

### Crucial Independent Films

In order to better understand the complexities of the mainstreaming of independent cinema, I believe that it is necessary to examine some of the more important films of the past nine years. A detailed explanation of what I consider four crucial films follows. Success as a crossover film is the exception, rather than the rule in independent cinema. Many films never see distribution, much less a profit. These films were selected in order to highlight certain characteristics of the crossover hit film that major studios are attempting to find at festivals and markets across the country. It should be noted that these choices are all Miramax releases.

#### *Sex, lies, and videotape*

*Sex, lies, and videotape* raised expectations within the industry for what an art house film could do in terms of box office receipts. Bidding wars at the major film festivals became commonplace after this film's success. In previous years, a winning film at Cannes, such as *sex, lies, and videotape*, could be expected to do modest art house business. This film changed the studios' perceptions of a successful first-run. Film festivals before 1989 were popular



enough, but after the phenomenon of Soderbergh's film, both the independent and major film industries changed. Every year since then has seen the search for the "next Soderbergh," at any number of film festivals, or the next independent hit film that goes on to defy all industry standards.

The film went on to gross \$24.741 million in its theatrical run in the United States. (Internet Movie Database) With a budget of \$1.2 million the film was considered a gigantic success. A successful print campaign highlighted critics' praises. Positive word-of-mouth created a large audience. A clever, suggestive title created a curiosity factor among mainstream audiences. All of these factors are important when considering the marketing strategy of an independent film. While this was certainly not the first film to harness all of these qualities for advertising purposes, the film's campaign was very effective in promoting and highlighting the playfully suggestive subject matter.

The poster for the film included critical comments from, among others, Vincent Canby of the New York Times: "One of the best of 1989! Exceptionally accomplished and witty!" The photographs which comprise the middle third of the poster are culled from assorted lengths of the same shot of each of the couples in the film. Peter Gallagher and Laura San Giacomo are playfully hugging and smiling, while James Spader and Andie MacDowell are much more serious. The pictures describe both the comic element and the serious-minded tone that are contained within the film. The title is featured prominently on a yellow background. This poster appeared traditional in form, yet the provocative

title and critical quotes created an allure that the film might not have created on its own.

The success of *sex, lies, and videotape* cannot be underestimated when examining the history of independent film. The film made the entire motion picture industry take notice of the potential audience for a smaller, more personal film. Many within the independent community saw the film's success as both a boon and a curse for the independent film movement, since the film's box office achievement paved the way for other offbeat films to be acquisitioned, yet created an unrealistic standard by which most other independent films were (and are) measured against with regards to box office revenues. Immediately, the studios became aware of the potential audience for such films, and the spending power that such an audience had. Increasing numbers of independent movies were acquisitioned in the hopes of becoming as successful as *sex, lies, and videotape*. This success would not be found until 1993, again by Miramax, with *The Crying Game*.

### *The Crying Game*

According to Variety, "Not a single U.S. studio or indie distributor wanted to fund the arthouse movie of the century when it was in script form—not even Miramax, its eventual U.S. distributor." (Fleming and Klady: 1) With *The Crying Game* Miramax achieved what so many independent distributors can only hope for: a low-budget film that crosses over from the art house market into the

mainstream. The film deals with an IRA soldier's relationship with the girlfriend of a man he had a hand in killing. While this sounds like a fairly straightforward, if quirky romantic film, such a description does not do justice to the rich complexities of the plot. The film was initially viewed by most distribution companies as too difficult to market due to the plot's subtle intricacies, and all major and independent distributors passed on the film as an acquisition at the Cannes International Film Festival. (Fleming and Klady: 68) Miramax decided to acquire the film after screenings at some of the other film festivals, such as the Telluride Film Festival, and the Toronto Film Festival, where the audience and critical response to the film was overwhelmingly positive.

Once acquisition was secured, Miramax had to come up with a plan to market the film. The main ad line was, "The movie everyone is talking about, but no one is giving away its secrets." This line attempted to sell the film as an action-thriller with a big secret, rather than a relationship film with gay connotations, in order to build an audience for the film without alienating any potential viewers. (Fleming and Klady: 68) The strategy paid off, with the film eventually earning \$62.5 million at the box office. (Independent Movie Database) The film also won awards from the National Society of Film Critics (Best Actor Stephen Rea) and the New York Film Critics Circle (Best Screenplay). (Cohn: 8)

Certain intangibles play into this equation, such as the cooperation of the mass media and moviegoers not to spoil the film's secret. What is important to

note about this film within the context of other successful mainstream films is the particularly unique subject matter. The crossover success of this film proved that controversial or offbeat subject matter could find a mainstream audience if the story was good enough to carry the viewer. As one executive for a major studio commented, "What Miramax did is flat out brilliant. Nobody gets pissed off if you lie to them about a movie to get them in, and the film delivers. With this film, people are grateful you tricked them into coming. It's only if you have a bad film that people will get angry." (Fleming and Klady: 68)

*The Crying Game* was nominated for six Academy Awards, including Best Actor, Supporting Actor, Director, Screenplay, and Best Picture. With the film on 500 screens following the nomination announcements, business increased 400% and grosses totaled out at \$5.2 million.

### *Pulp Fiction*

When *Pulp Fiction* (1994) premiered at the Cannes International Film Festival and won top honors with the Palme d'Or award, there was a media frenzy the likes of which had not yet been experienced for an independent film. Quentin Tarantino had become a cult star with his first film, *Reservoir Dogs* (1992). The film had not performed particularly well in theaters, grossing approximately \$3 million. When the film was released on video, however, an entire legion of fans became aware of his talent and eagerly awaited his next

film. He also wrote the screenplays for *True Romance* (1993) and *Natural Born Killers* (1994).

Miramax was not expecting *Pulp Fiction* to perform as well as it eventually did, grossing \$107 million in American box office receipts. (Internet Movie Database) Then-Miramax Marketing Vice President David Dinerstein comments that the company would have been happy with a gross of \$20 million, but when the film “opened up to a phenomenal weekend...we knew we had something big going on.” (Lukk: 24) Initial attempts to pursue a certain demographic led Miramax to base the marketing strategy for the film on the campaign for Oliver Stone’s film, *Natural Born Killers* (1995). (Turner: 6) The campaign emphasized the satirical aspects of the film, cited critical reviews to sell it to a number of different audiences, and counted on controversy to fuel audience interest. Two trailers were created to target different audiences: a red band trailer, which the MPAA only allows to play before R- or PG-rated films; and a green band trailer, which was suitable for all audiences. The poster for the film featured Uma Thurman in a poster modeled after an old pulp novel cover. (Lukk: 26)

In test screenings, Miramax marketers realized that the film was playing very well with ethnic and urban audiences. The decision was made to create a trailer that would cater to these specific audience demographics, in order to maximize the film’s potential audience. The Commodores’ song, “Jungle Boogie,” was highlighted in the red band trailer to emphasize the gritty, urban themes of the film. (Lukk: 26)

Rather than open the film on a platform release schedule as a traditional arthouse film, *Pulp Fiction* debuted on a large number of screens (1,338) in order to capitalize on the positive word-of-mouth, good critical advances, and the large number of Tarantino fans awaiting the film. (Lukk: 28) David Dinerstein always believed that the film was strong enough to warrant the wide release schedule.

Miramax spent \$5 million on marketing the film, with sixty percent of the budget spent on television advertisements and the remaining forty percent on newspaper advertising. Dinerstein estimates that fifty percent of the television budget went to national buys, including national cable. (Lukk: 29) This tied in with cast interviews in multiple media outlets to promote the film. For instance, John Travolta was featured prominently in many magazine articles heralding his "comeback" to stardom. He was on various talk shows as well as an MTV special highlighting his career up to the film's release.

As the film was seen by more and more people, it became evident that the film acted as a lightning rod for fans and critics alike. People either loved the film or hated the film. There appeared to be no middle ground. It was exactly this kind of publicity that the film generated that made it such a must-see. People who had heard of the film from the positive critical comments as well as independent film fans went to see the film. It became something of a cultural phenomenon, due to a number of factors. The script's references to pop culture became an independent film standard.

The film set a new standard for an independent art house film by making more at the box office than most of Hollywood-produced studio films. (Turner: 6) But Sony Pictures Classics Michael Barker had a problem with the film's "independent" status, saying, "*Pulp Fiction* was always a mainstream film, never an art house film. There is an increased visibility for the crossover specialized film due to the major circuits' desire to play more of this product. The downside to this is that the smaller specialized hits of the past are almost extinct."

(Cannes: 11)

Barker's comment about current industry trends is both insightful and disconcerting in that it accurately describes the expectations placed upon independent films by the major studios and predicts that the smaller films of previous years will eventually be forced out of the mainstream distribution channels. Fortunately for the increasing number of distributors, there have been a number of growth opportunities for independent film, such as cable/digital television, home video, and foreign markets. The final chapter examines each of these trends in detail, and investigates some of the minority groups that aren't particularly addressed within mainstream Hollywood, to reach some conclusions about the future of independent cinema.

## CHAPTER VI

### ANALYSIS OF KEY GROWTH AREAS WITHIN INDEPENDENT FILM AND CONCLUSION

The independent film industry is constantly growing, since films that were once targeted at small niche audiences are gaining mainstream acceptance with mass audiences. Studios are participating in the production and distribution of niche films, and audiences are positively responding to these films and rewarding them with impressive box office receipts. In the past, mass audiences were rarely exposed to specialized independent films. However, as the demand for product grew out of the expansion of cable networks, home video stores, and more screens for theatrical exhibition (both foreign and domestic), "a distribution infrastructure (including not only so-called classic divisions of major companies, but at times the majors themselves) began to handle low-budget domestic features along with their regular trickle of foreign films." (Sklar: 374) This growth of cable and satellite television services, home video, and foreign markets has allowed independent films to find acceptance on the scale of studio films in the mainstream marketplace with much more ease than only a few years ago. This expansion into ancillary, or secondary commercial markets differs from the type of distribution that was described in Chapter Three, which examined the



theatrical release cycle of a film, considered to be the primary cycle in the film industry for maximizing visibility, awareness, and ultimately, profit potential.

(Goldberg: 3)

### **The Growth of Cable & Satellite Television**

With an increasingly sophisticated moviegoing public developing in the 1970s, the need arose for more complex technology to supply a growing audience. Network television stations featured theatrically distributed motion pictures in prime time on certain nights of the week, but audiences were growing tired of constant advertisement interruptions and the long wait for "blockbuster" films to appear. (Gomery: 264) These two factors led to the widespread growth of cable television during the 1970s and 1980s, as it directly catered to the audience's requests for uncut, uncensored films. This growth continues currently in the United States, with cable television in 62 percent of all homes as of 1995. (Dominick, Sherman, and Copeland: 30)

Pay television services, such as HBO, began in the 1970s as satellite technology was being unveiled. With a communications network in place linking satellites above the earth, audiences grew quickly for pay programming, which included uncut movies and live sporting events. (Mair: 28)

Today, the cable television market has become one of the most significant outlets for feature films due to various factors. An increased number of pay channels and cable networks has created the need for more programming.

Since many of the networks and channels are highly specialized and court specific demographic groups, independent films gain in value because they can be sold with specific audiences in mind. (Parsons and Frieden: 163) As described earlier, there are two independent film channels currently broadcast for consumers in the United States, the Sundance Channel and the Independent Film Channel.

Cable television provides independent films the opportunity to reach large audiences. In a Sundance Institute-related venture, Robert Redford formed a joint venture with Viacom's Showtime Networks Inc. to create the Sundance Film Channel. The channel, which was launched in October, 1995, is a twenty-four hour independent movie-based pay television cable network. (Brown:7) Redford says, "The goal here is to provide a TV environment for independent films," and that the Sundance Channel is "...a logical extension of what we have been trying to do at the Sundance Institute." (Hall:2)

President of the Sundance Group Gary Beer says that filmmakers who develop and showcase their films at the Sundance Institute and the Sundance Film Festival may eventually show their films on the Sundance Film Channel, but "The Sundance Institute does not own any rights to filmmakers' work, and there will be no rights connection" between the Sundance Film Channel and the Sundance Institute. (Hall:7)

The Sundance Film Channel's programming is first-run independent feature films, foreign language films, documentaries, film classics, experimental

films, animated films, other types of offbeat films and short films. Seminars are also televised on the channel. The channel's programming is previewed on Showtime and The Movie Channel, which are premium movie-based cable channels (owned by Viacom), in an attempt to interest viewers in the channel.

(Brown:7)

Another cable channel featuring independent films is the Independent Film Channel, launched on September 1, 1994. The channel's programming consists entirely of independent films, and programs about independent film production. The Independent Film Channel is distributed by ITT and a subsidiary of Cablevision Systems Corporation (the fourth-largest cable operator in the United States) and the Bravo Cable Network. (Dunning: 13)

Senior vice president and general manager of Bravo and The Independent Film Channel Kathleen Dore says that after recent dramatic growth in the independent film industry's box office revenues and press attention it became evident that "the whole genre is very underserved on television."

(Dunning: 13)

The Independent Film Channel focuses its programming on the films of established independent filmmakers. The channel features live coverage of major film festivals. The channel also finances about a dozen short films by new film directors per year.

Independent film television channels offer audiences an opportunity to see films that often are released only in major markets, and are not readily

available at most home video rental stores. (Willis:19) Nora Ryan, Executive Vice President of Business Development at Showtime Networks, says, "The most important trend that we're tapping into is the growth of independent film in terms of popularity, box office and critical attention." (Meyers:21,22) What is perhaps most important about the potential of cable to reach a high number of viewers is the unique programming schedules that are offered by various services. Pay channels usually repeat the movies that are shown during a particular month anywhere from 2 to 10 (or more) times a month. This has the potential to create a new audience each time a film is shown, and, in the case of independent films, increases the possibility that more of the viewing public will become familiar with less mainstream styles of filmmaking. As I have argued before, as more people become aware of what is referred to as independent film, the meaning of the term evolves to both include and exclude certain audiences.

This trend can only increase with the proliferation of digital satellite television. Currently, satellite television companies provide service to over five million customers, and place an emphasis on multi-channel premium movie services and live sports packages. (Parsons and Frieden: 149) The digital satellite system is the most successful consumer electronics product in U.S. history, outperforming the introduction of the VCR, big screen television, and the compact disc player. (Hartenstein)

## Home Video

1986 was the first year in which domestic gross revenues were higher from home video (approximately \$2 billion) than theatrical (\$1.6 billion) sources. As Harold L. Vogel notes in his book, *Entertainment Industry Economics*, "Home video has thus forever altered the fundamental structure of the business and changed the ways in which marketing strategies are pursued." (83) The home video revolution has provided independent films with a wealth of opportunities.

Perhaps the greatest beneficiary of home video's popularity within the independent arena has been foreign films. In recent years, competition from different media and from Hollywood has undercut foreign film programming significantly. (Sklar: 88) Thanks to the rise in American independent film quality, foreign films no longer have the appeal that they once held (as documented in Chapter 2).

However, Blockbuster Video, the Dallas, Texas-based home video rental chain, notes that since 1994, foreign films have had a steady increase in rental activity. These films are most popular in "white collar areas and college towns, especially in the northeastern U.S....(with) the typical film watcher (described as) educated, well off financially, and (accepting) of the practice of reading subtitles." (Ptitto: 46) This fact can be attributed to the increased visibility of foreign films within the marketplace, and a more open attitude on the part of moviegoers to different types of films.

Since up to forty percent of Hollywood's combined production costs are now covered by domestic home video receipts, both major and independent distributors cannot take home video concerns carelessly.

### Foreign Markets

Foreign theatrical markets have provided a significant source of revenue for independent distributors in the last five years, and the trend seems to be rising upward. Films such as *The Full Monty* (1997) and *Bean* (1997) have been enormously successful in worldwide markets, a fact which I attribute to extended, well-researched campaigns for these independent films financed by their respective independent studios. International branches of the independent divisions of major studios have been implemented (as in the case of Miramax noted earlier) in order to keep better track of films' progressions within a given foreign market, and to instigate more specialized marketing campaigns that take into account a particular country's tastes.

American independent films are enjoying more widespread distribution in foreign markets, due in part to high profile debuts at film festivals such as the Cannes International Film Festival and the Venice Film Festival, as well as

### Minority Groups and Independent Cinema

The independent film market is currently at a crossroads, with increased attention from both moviegoers and studios creating an interesting dilemma. Audiences have turned to alternative cinemas for entertainment that the major

studios increasingly do not provide. The major studios have focused on independent distributors, who can deliver audiences that are underserved by the studios. The test for independent distributors (owned by conglomerates) is how to balance the desires of the audience with the financial motives of the major studios. The definition of such a market is always evolving, with new possibilities constantly opening. These new markets and growth areas are perhaps best understood by examining minority groups, such as African-Americans and gays/lesbians, who have been traditionally discounted by mainstream studios until they have proven to studio heads (with box office attendance) that they are, in fact, eager to support films catered specifically to them as a group.

The power of cinema to act as an agent which can affect changes in mainstream attitudes has encouraged such previously marginalized groups to create various bodies of work that further the acceptance of such groups within mainstream culture.

Robert Sklar points to the "blockbuster" mentality of the 1970s studios as the catalyst for organizing independent filmmakers "to strengthen their place in a wider film culture." (Sklar: 374) This is a good starting point to examine some of the independent, "identity" films of minority filmmakers. I must clarify, however, that recent major studio interest in such films is, first and foremost, a financial enterprise. As long as (and only if) these pictures remain successful at the box office, they will continue to receive support from the dominant Hollywood system.

African-American portrayals on the screen were largely limited to exaggerations and caricatures through the 1970s, and "blaxploitation" films of this era relied too heavily on violence to be considered a positive influence on correcting stereotypes. (Sklar: 380) However, a number of films released since that time have found audiences through independent film outlets. Such films as Julie Dash's *Daughters of the Dust* (1990) and Spike Lee's *She's Gotta Have It* (1986) have proven to mainstream studios that there is a large market in the African-American community eager to view positive depictions of black life. Although the argument can be made that many of the current representations of African-Americans as sexual predators, drug lords, gangsters, and the like, in films such as *Boozy Call* (1997), *Menace II Society* (1993), and *New Jack City* (1991) are nothing but throwbacks to the "blaxploitation" era, the fact remains that independent outlets have played a crucial role in bringing quality depictions of the African American experience to the screen.

The gay/lesbian cinema of the past few years has had a similar effect on mainstream films. Robert Sklar observes, "Allegiance (with multicultural identities) made possible flexibility of form: identity itself became a genre, and work could play with a variety of formal combinations—realism alongside experimentation, fiction combined with documentary---and still cohere within a genre framework." (373) Consider the latest mainstream films to deal with predominantly gay themes, *The Birdcage* (1996) and *In and Out* (1997). It can be argued that neither of these films could be possible today without



independent forebears that allowed subversive themes to be explored and realized. It is important to note, however, that the appropriation, by major studios, of an accepting attitude towards the lifestyles represented in gay/lesbian cinema, is strictly for financial gain. Both *In and Out* and *The Birdcage* can be considered advances within the studio system, which promote not only tolerance but full acceptance of a different lifestyle. The preeminent reason for this attitude, however, comes from a strictly commercial standpoint. I am not suggesting that the motives behind such accepting attitudes are not well-meaning and honest within the Hollywood system. I am only pointing out that major studios are dabbling in subjects that have been explored, in much more detail, and with more commitment, within the realm of independent cinema.

If independent distributors and filmmakers have generally led the way in terms of demonstrating accepting attitudes, the major studios have been quick to assimilate certain storylines and character-types in order to cash in on such independent successes. Traditionally, when an independent film crosses over and reaches a high level of success within a previously untapped market, (i.e. African-Americans, gays/lesbians), major studios rush to retain these newfound audiences by releasing a spate of similar films. This puts increased pressure on the independent distributors to compete with the mainstream studio system for audiences which they originally discovered. (Kleinhans: 324) Therefore, films such as *Waiting to Exhale* (1995) and *Philadelphia* (1993) can be seen as

positive steps within the Hollywood system, yet they do not commit politically to the extent of the (more original) independent films that preceded them.

### The Internet

The impact of the Internet cannot be underestimated when considering its role in publicizing both major and independent films. With on-line customer bases growing rapidly, movie studios have attempted to exploit the World Wide Web in the hopes of raising public awareness of their films. The Internet has evolved into a "low-cost mass communications medium that empowers anyone to instantly publish—anywhere around the world—words, moving pictures, music, computer software, and anything else that can be digitized." (Vogel: 213)

Virtually anyone with access to a computer and a modem can link up to the Internet, and this has had a positive effect on the ease with which people can ascertain information pertaining to film and the cinema. However, Hollywood studios are not pleased about the number of sites on the World Wide Web that have dedicated themselves to reporting on films in production. Sites such as Harry Knowles' "Ain't It Cool News" and "Corona's Coming Attractions" are interested in releasing the details of films garnered from "spies" who attend test screenings of (possibly) incomplete films. While this can create an early, positive spin in the marketplace at no cost to the studios, negative reviews can potentially damage a film's opening weekend chances. These sites are primarily concerned with major studio releases, but independent films are beginning to

make regular appearances on "Ain't It Cool News." Knowles, who is based in Austin, posted his own reviews of every South by Southwest film festival entry on the website, giving free publicity to a number of films that would otherwise go unnoticed. This trend can only grow in the future, as more and more people create websites devoted to such subject matter as independent film, and more people discover the Internet.

Even more interesting are the possibilities for distribution on the World Wide Web. Current technology allows for video transmissions over the Internet for those equipped with the proper software, and with improved technology, it will be possible for anyone to become an independent distributor of films. This is certainly one of the more promising aspects of such technology.

### Conclusion

Today's film market is infiltrated with mainstream independent films, and the marketing of these films has similarities to strategies and techniques associated with mainstream studio films. But the key to marketing independent films is to target niche audiences. If niche appeal films can build good word of mouth and good critical reviews, they can broaden their limited audience to a larger, mainstream audience. Independent film distributors have become successful by releasing niche films to audiences that major studios have not catered to with their popular genre mass appeal releases. However, the growth of independent cinema has led the major Hollywood studios to attempt to

capitalize on its popularity by either creating specialty divisions or purchasing independent distributors outright.

Film marketing is selling films to audiences, and realizing that audience preferences and demographics change over time. Taking these factors into account the film industry quickly and constantly changes to suit the wants and desires of the average moviegoer, who, in the end, wields the most power in Hollywood.

The independent film industry has been redefined through mergers and buy-outs of independent film companies. Many film industry insiders consider these transactions as part of a cyclical scenario where major studios see independent films finding larger audiences making more money at the box office, and they want to replicate that success. In the past, major studios have created and disbanded their specialty divisions depending on fluctuations of audience interests and box office revenues. It is likely that major studios will lose interest in their specialty divisions when audiences lose interest in the films produced by these divisions, and when ownership of such divisions no longer proves profitable.

Since the cost of films today has risen to astronomical levels, most major studio releases rely on a picture that can be considered a safe bet at the box office. This is not to say that any film is a guaranteed money-maker at the box office; there are more failures at the box office than actual successes. This fact is stated here simply to imply that the creative power once wielded by the major

studios has shifted to smaller, independent studios. It is true that these independent arenas are, to some, just stepping stones to a job within the larger, more mainstream Hollywood industry, and there will always be diverse economic, as well as emotional motivations within the field of independent cinema. But one cannot overlook the historical tendencies for independent cinema to be aligned with a personal vision of the artist.

Timothy Corrigan, author of "Auteurs and the New Hollywood," notes that the current trend among independent directors is the creation of a celebrity persona used by the directors as a tool for self-promotion and survival. (38-39) Corrigan sees new independent directors as media-savvy, manipulative agents who have far too little experience to be worthy of such praise. He argues that only after a significant body of work is produced a director can be judged on the merits of his/her authorship. While overly cynical to the motives of filmmakers today, his idea of the relationship between independence, credibility, and celebrity is an interesting point. Within the independent film industry, a strong emphasis is placed on a film(maker)'s identification and reception with/by the public. The tone and attitude of a film(maker) become crucial placement devices within the public conscience. What level of success an independent film achieves due to this specific reason has not been covered here, yet is an interesting phenomenon within the realm of independent cinema.

The growth of independent film in the 1990s can perhaps best be understood in comparison to the growth of the high-concept, New-Hollywood

blockbuster in the 1970s and 1980s, albeit on a much smaller scale. I am suggesting that just as independent-minded films of the early 1970s, such as *The Godfather* (1972), gave rise to the blockbuster mentality that still pervades Hollywood today, independent films might be on such a trajectory in the future, as budgets and profits increase with each successful release. Every successful independent release fuels Hollywood's desire to capitalize on such successes, and the growth of truly independent cinema must be fostered in order to prevent a stagnation in the quality of small, personal films.

With the acquisitions of most of the specialized distribution companies reaching a saturation point, the future of independent film, as I have defined it in this study, looks assured through at least the next decade. However, the definition of what is "independent" is certain to have several new connotations within that timeframe. With many independent studios now using major studio money to finance their own productions, other, smaller companies must develop channels through which to distribute and exhibit films that otherwise do not have a chance to find an audience. As noted earlier, we have seen the beginnings of this trend in the growth of alternative festivals based around the popularity of the Sundance Film Festival. This ongoing, cyclical process will play an indeterminately large part in defining the independent cinema for years to come, and assure groups outside the mainstream a voice with which to be heard. The spirit of independence in film thrives on this principle, and the future of the independent film movement depends on it.

**TABLE 1****Selected Independent Film Releases (1989-1996)****1989**

Heathers	Michael Lehmann	New World
Vampire's Kiss	Robert Bierman	Hemdale
Parents	Bob Balaban	Vestron
sex, lies, and videotape	Steven Soderbergh	Miramax
Drugstore Cowboy	Gus Van Sant	Avenue
Mystery Train	Jim Jarmusch	Orion Classics
Roger & Me (doc.)	Michael Moore	Warners

**Key Foreign Films:** Scandal, My Left Foot, Henry V, Camille Claudel

**1990**

House Party	Reggie Hudlin	New Line
Henry:Portrait of a Serial Killer	John McNaughton	Greycat
Longtime Companion	Norman Rene	Goldwyn
Metropolitan	Whit Stillman	New Line
The Unbelievable Truth	Hal Hartley	Miramax
Wild at Heart	David Lynch	Goldwyn
Pump Up the Volume	Alan Moyle	New Line

**Key Foreign Films:** Cinema Paradiso; The Cook, the Thief, His Wife, and Her Lover; Cyrano de Bergerac

**1991**

The Grifters	Stephen Frears	Miramax
The Long Walk Home	Richard Pearce	Miramax
Paris Is Burning (doc)	Jennie Livingston	self/Miramax
A Rage in Harlem	Bill Duke	Miramax
Truth or Dare (doc.)	Alek Keshishian	Miramax
The Rapture	Michael Tolkin	Fine Line
City of Hope	John Sayles	Goldwyn
Poison	Todd Haynes	Zeltgeist

**Key Foreign Films:** La Femme Nikita, Life Is Sweet

**1992**

Bob Roberts	Tim Robbins	Miramax
Johnny Suede	Tom DiCillo	Miramax
Reservoir Dogs	Quentin Tarantino	Miramax

1992 (Cont.)

Passion Fish	John Sayles	Miramax
Bad Lieutenant	Abel Ferrara	Aries
The Player	Robert Altman	Fine Line
American Dream (doc.)	Barbara Kopple	Miramax
Daughters of the Dust	Julie Dash	Kino
Mississippi Masala	Mira Nair	Goldwyn
One False Move	Carl Franklin	IRS
Swoon	Tom Kalin	Fine Line

Key Foreign Films: Howards End, The Crying Game, Enchanted April

1993

El Mariachi	Robert Rodriguez	Columbia
Menace II Society	Hughes Bros.	New Line
Amongst Friends	Rob Weiss	Fine Line
Just Another Girl on the IRT	Leslie Harris	Miramax
The War Room(doc.)	D.A. Pennebaker	October
Bodies Rest & Motion	Michael Steinberg	Fine Line
Ethan Frome	John Madden	Miramax
Ruby in Paradise	Victor Nunez	October
Boxing Helena	Jennifer Lynch	Orion Classics
Household Saints	Nancy Savoca	Fine Line

Key Foreign Films: Orlando, Like Water for Chocolate, The Piano, Naked

1994

Pulp Fiction	Quentin Tarantino	Miramax
Clerks	Kevin Smith	Miramax
Go Fish	Rose Troche	Goldwyn
Spanking the Monkey	David O. Russell	Fine Line
Hoop Dreams (doc.)	Steve James	Fine Line
Fresh	Boaz Yakin	Miramax
Eat Drink Man Woman	Ang Lee	Goldwyn
Red Rock West	John Dahl	Roxie Releasing
Naked in New York	Daniel Algrant	Fine Line
You So Crazy	Martin Lawrence	Goldwyn
Mi Vida Loca	Allison Anders	Sony Classics
Barcelona	Whit Stillman	Fine Line
Killing Zoe	Roger Avary	October

Key Foreign Films: Red, Belle Epoque, Farewell My Concubine



1995

Smoke	Wayne Wang	Miramax
Crumb (doc.)	Terry Zwigoff	Sony Classics
Unzipped (doc.)	Douglas Keeve	Miramax
Kids	Larry Clark	Shining Excalibur
The Secret of Roan Inish	John Sayles	First Look
Clean, Shaven	Lodge Kerrigan	Strand
Swimming with Sharks	George Huang	Trimark
The Incredibly True Adventures of Two Girls in Love	Maria Maggenti	Fine Line
Party Girl	Daisy Mayer	First Look
The Usual Suspects	Bryan Singer	Gramercy
The Brothers McMullen	Ed Burns	Fox Searchlight
Kicking and Screaming	Noah Baumbach	Trimark
The Doom Generation	Gregg Araki	Trimark
Priest	Antonia Bird	Miramax

1996

Big Night	Stanley Tucci/ Campbell Scott	Goldwyn
The Celluloid Closet	Robert Epstein/ Jerry Friedman	Sony Classics
If Lucy Fell	Eric Schaeffer	Tristar
Looking for Richard	Al Pacino	Fox Searchlight
Welcome to the Dollhouse	Todd Solonz	Sony Classics
The Spitfire Grill	Lee David Zlotoff	Castle Rock
Hype!	Doug Pray	CFP
I Shot Andy Warhol	Mary Harron	Goldwyn/Orion
Walking and Talking	Nicole Holofcener	Miramax
Stonewall		Strand

**Table 2**  
**Growth of Cable and VCRs**

<u>Year</u>	<u>Cable Penetration (%)</u>	<u>VCR Penetration%</u>
1975	13	0
1980	23	5
1985	46	30
1990	55	70
1995	62	82

Source: Dominick, Joseph R., Barry L. Sherman, and Gary A. Copeland.  
*Broadcasting/Cable and Beyond: An Introduction to Modern electronic Media.*  
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**Table 3**  
**Essential Differences Between Five Film Financing/Distribution Scenarios**

	<b>In-house Production/ Distribution</b>	<b>Production- financing/ distribution</b>	<b>Negative pickup arrangement</b>	<b>Acquisition deal</b>	<b>Rent-a- distributor</b>
<b>Source of Production Funds</b>	<b>Studio/ distributor</b>	<b>Studio/ distributor</b>	<b>Lender</b>	<b>Third party</b>	<b>Third party</b>
<b>Source of P &amp; A Funds</b>	<b>Distributor</b>	<b>Distributor</b>	<b>Distributor</b>	<b>Distributor</b>	<b>Non- distributor</b>
<b>Time of Agreement</b>	<b>Prior to production</b>	<b>Prior to production</b>	<b>Before film completed</b>	<b>After film completed</b>	<b>After film completed</b>

Source: Cones, John W. *The Feature Film Distribution Deal: A Critical Analysis of the Single Most Important Film Industry Agreement*. Carbondale, IL: Southern Illinois University Press, 30.

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