

(C) R E A T I V E E N C O U N T E R S

Creativity at Work:

Much Ado about Nothing? Untangling the Impact of European Premier Film Festivals

Ву

Stephen Mezias Jesper Strandgaard Pedersen Silviya Svejenova Carmelo Mazza

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Abstract

This study seeks to untangle the impact of film festivals on the conception and action of industry actors. This study puts forward the argument that film festivals, seen as instances of tournament rituals and field configuring events, play a role in bridging art and commerce. It examines three instances of a particular tournament ritual, that of the three leading European premier film festivals, namely the Cannes Film Festival, the Berlin Film Festival, and the Venice International Film Festival, to untangle their role as mediators between art and commerce and their impact on the artistic classification system of the cinema field. For the purpose, it uses admissions data from 36 European countries for the period of 1996 to 2005. It examines the impact of festival participation and awards on admissions, and further artistic recognition at award ceremonies in the US. Based on the results of our study we argue that, similarly to the classification of art forms, there is a status ordering of tournament rituals (i.e. film festivals) with regard to their ability to act as a nexus of dichotomous categories for a particular cultural form (i.e. art and commerce in the case of film).

Keyword

Film festivals, field configuring events, artistic classification systems, artistic recognition, commercial impact

Authors

Stephen Mezias Stern School of Business, USA

Jesper Strandgaard Pedersen (may be reached by e-mail at <u>js.ioa@cbs.dk</u>) Copenhagen Business School, Denmark

Silviya Svejenova ESADE Business School, Spain

Carmelo Mazza Grenoble Ecole de Management, France

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Much Ado about Nothing? Untangling the Impact of European Premier Film Festivals

Research in the sociology of culture has examined the characteristics of artistic classification systems (DiMaggio, 1987). It has identified ideal types of cultural forms and defined boundaries that help cultivate dichotomies, for example, high or elite culture versus popular culture, highbrow versus lowbrow or sacred versus profane genres (Lamont & Fournier, 1992). Understanding culture as hierarchical has become both legitimate and widespread; high culture has been considered superior to popular culture, and sacred genres viewed as having a higher status than those considered vulgar or profane genres (Crane, 1992; DiMaggio, 1992).

However, there is also recognition of the ambiguity and erosion of dichotomized conceptions (DiMaggio, 1992). Culture is acknowledged pluralistic, with fluid boundaries between the high and the popular (Crane, 1992). Intermediate categories, such as *nobrow* - "the space between the familiar categories of high and low culture" (Seabrook, 1999) - emerge. Hence, forms of art not only elevate or loose their artistic status. They are also increasingly less dichotomous and more continuous, as patrons and the artists they support "play with the boundaries between art and market, between the culture of the elite and the entertainments of the street" (DiMaggio, 1992: 47).

Scholars in the production of culture perspective have sought to capture the way symbolic elements of culture move between dichotomous categories, arguing that culture is situational and capable of change (Peterson & Anand, 2004). Impressionists came to prominence in the second half of the nineteenth century with the support of Parisian art dealers and critics (White & White, 1965; Wijnberg & Gemser, 2000). In the Israeli art scene of the early twentieth century, different styles "vied for hegemony" (Greenfeld, 1989: 12). The profitoriented cultural genre of film got valorised as art in the US in the 1950s and 1960s (Baumann, 2001). Theatre, opera, and the dance also entered the high culture model (DiMaggio, 1992).

Recent studies have acknowledged that an essential yet a largely neglected mechanism for change to happen is that of tournament rituals, or field-configuring events (Lampel and Meyer, 2008); those trans-organizational structures such as the Grammy Awards depicted by Anand and Watson (2004) that influence field evolution. In addition to being a symbolic medium, these rituals also have a commercial impact on the success and careers of artists who get rewarded (Anand and Watson, 2004). Although "there are hundreds of film or music festivals, numerous events are designed to celebrate talent, and various award ceremonies, all of which receive a great deal of publicity" (Lampel, Shamsie & Lant, 2006: 301), their role in the production of culture

remains insufficiently examined and understood (Anand and Watson, 2004; Lampel et al, 2006).

This study puts forward the argument that festivals and field configuring events play a role in bridging high and low brow culture, as they "play with the boundaries between art and market, between the culture of the elite and the entertainments of the street" (DiMaggio, 1992). It examines three instances of a particular tournament ritual, that of European premier film festivals, namely the Cannes Film Festival, the Berlin Film Festival, and the Venice International Film Festival, to untangle their role as mediators between art and commerce in the classification system of the cinema field. For the purpose, it uses admissions data from 36 European countries for the period of 1996 to 2005. It examines the impact of festival participation and awards on admissions and further artistic recognition at award ceremonies in the US. Based on the results of our study we argue that, similarly to the classification of art forms, there is a status ordering of tournament rituals (i.e. film festivals) with regard to their ability to act as a nexus of dichotomous categories for a particular cultural form (i.e. art and commerce in the case of film).

The paper is organized as follows. First, we discuss the evolution of research on tournament rituals and artistic classification systems to define the research hypotheses, which we have tested in the reported study. Second, we describe the setting of the three European premier film festivals. Third, the data and methods used are outlined. Next, some preliminary results are presented and discussed, and implications and incipient conclusions are put forward.

Tournament Rituals and Classification Systems: Research Hypotheses

An artistic classification system (ACS) is an outcome of the "processes by which genre distinctions are created, ritualized, and eroded, and processes by which tastes are produced" (DiMaggio, 1987: 441). Differentiation takes place between cultural forms (e.g. TV versus theatre), or within a cultural form (e.g. artistic versus commercial films). Further, depending on what the dominant ideology is, there is a hierarchical prestige of genres, which tends to be widely accepted.

Compared to other cultural forms, film is a "profit-oriented cultural genre" (Baumann, 2001: 407). It is defined along the continuum of the commercial and aesthetic. Overall, the commercial tradition in film has a longer trajectory than its artistic tradition: "The image of film as a business is pervasive. Unlike art that is under the direction of trustee-governed nonprofit organizations, profit-oriented studios and executives are deeply involved in film production" (Baumann, 2001: 421). Further, the artistic tradition itself has stronger roots in Europe, as exemplified through the auteur approach conceived in France during the Nouvelle Vague and propagated across Europe¹. For auteur theory,

¹ See for example Ezra (2004) for more details on the history of European cinema. Page 4 / 31 Creative Encounters Working Paper # 14

the single essential creative force in a movie was the film director, somewhat different from the power of producers and stars exercised under the studio system. However, auteur system got spread not only across Europe but also got imported to the US. There, it became one of the forces, along with a number of other factors, among which film festivals, for legitimating the film form as art (Baumann, 2001). Baumann (2001: 409) argues that "film festivals bestow artistic merit on films" and that "the existence of a variety of juried festivals created an atmosphere in which film as a genre could enjoy increased prestige". As discussed by Baumann (2001), European premier film festivals predated American festivals with a couple of decades². While the first European film festival was launched in Venice in 1932, it was not until the mid-1950s that the first US-based festivals got established.

As acknowledged by Caves (2000), the change in the organization of a field modifies the role of the award ceremonies: 'When the studios dominated film distribution in United States, film festivals (such as Cannes) served as artistic events and occasions for interchange among creative film making personnel. With the rise of many independent filmmakers and small-scale distributors in the United States, festivals took on a major market-making role in which distributors around the world could view the available films and make deals for exhibition rights. Beneath its continued glitter, Cannes was transformed into a bustling marketplace' (Caves, 2000: 99-100).

Combining insights from studies on artistic classification systems and tournament rituals, we argue that similar to cultural forms, events and rituals will be subject to dichotomous categories and move along continuum. In the case of film festivals, which in Europe have been known for their emphasis on artistic merits, our specific interest is in examining whether there are significant differences between festivals in terms of their commercial impact. That is, when positioned on the continuum of art and commerce, whether they occupy distinctly different positions. We state this argument as follows:

Hypothesis 1: There will be a ranking of European premier film festivals and prizes in terms of commercial impact.

Hence, we expect that there is a pecking order of film festivals regarding the extent to which they mediate between art and commerce.

Uncertainty of demand in creative industries - the 'nobody-knowsanything' feature - is an essential economic property of creative activities: 'There is great uncertainty about how consumers will value a newly produced creative product, short of actually producing the good and placing it before them. It might meet acclaim and bring in revenue far exceeding its costs of production, or it might find few customers who place any positive value on it' (Caves, 2000: 2). Following Caves' line of thought, predicting success of a motion picture is viewed as 'impossible' or a 'wild guess' due to a great

² See also Mazza and Strandgaard Pedersen (2008) for an overview of the historical development of international film festivals.

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numbers of factors influencing potential box office returns (De Vany & Walls, 1999; Dellarocas, Awady & Zhang, 2004).

Despite that, several studies have included various variables and used different models trying to make forecasts, with different outcomes. De Vany and Walls (1999) analyzed risk and uncertainty in the movie industry by including production budget, genre, stars and rating as independent variables in the analysis of box office returns. A similar model is also used by Colins, Hand and Snell (2002), in their analysis of the UK movie industry. Using movie stars as an independent variable, Albert (1998) concluded that investors/producers can calculate probabilities of success by using stars. Elberese (2006) supported the finding that the involvement of stars impacts movies' expected revenues. Basuroy, Chatterjee and Ravid (2003) investigated how critics affect box office performance of films and how stars and budgets moderate those effects. Desai and Basuroy (2005) investigated the joint influences of genre, star power and critics' reviews on market performance. Zuckerman and Kim (2003) zeroed in on the critics' assignment of a film as an independent or major. Ravid and Basuroy (2004) analyzed project choice and the effects of rating films in the motion picture industry, and Dellarocas, Awady and Zhang (2004) studied the value of online reviews. Bagella and Becchetti (1999) used subsidies among a number of other variables in an empirical analysis of box office performance for movies produced in Italy between 1985 and 1996. A similar study concerning the German movie industry was conducted by Jansen (2005). Delmestri, Montanari and Usai (2005) used director's reputation and personal relations among other variables in their analysis of the Italian feature film industry.

As indicated by the abovementioned studies, numerous attempts have been made to reduce the uncertainty and estimate the demand of creative products (in this case motion pictures) and explain movie success. The most frequently used independent variables are production budget, stars, genre and critics' reviews. The variables are often used together in combined studies (e.g. De Vany and Walls, 1999; Desai and Basuroy, 2005; Litman, 1983; Neelamegham and Chintagunta, 1999; Elberse and Eliashberg, 2003) or as shifting control variables. Movie success is almost always measured in box office revenue or number of admissions. A few studies use running time ("staying power"), number of rentals and number of screens, and a single study (Elberese, 2005) uses the valuation of the movie company in the stock market.

In an industry as uncertain as that of cinema, different selection systems, among which prizes, serve as signals. Awards certify films so as to reduce uncertainty for producers and audiences. According to Wijnberg and Gemser (2000), there are three types of selection systems in cultural industries that determine artistic value. These are market systems, in which consumers are the selectors; peer systems, in which both selectors and selected belong to the same group; and expert systems in which the selection is made by powerful actors with high levels of specialized knowledge and abilities, and who belong neither to the consumers, nor to the producers group. It could be hypothesized that if a Page 6 / 31 Creative Encounters Working Paper # 14

peer or expert system confines value by giving an award to a movie, then it may have implications on the market system, in which consumers are the selectors. Hence, winning a prize as peer/expert selection may translate into a consumer selection, which means that the film is consumed, hence admissions influenced and box office increased.

Extant studies have provided empirical evidence on the commercial effect of award-winning. For instance, Anand & Watson (2004) found that in the case of new artists, post-1984 Grammy award winners consistently outperformed nominees. Faulkner and Anderson (1987) revealed that award-winning actors in Hollywood got progressively better pay. Caves (2000) discussed the link between awards and film performance, suggesting that awards clearly increase the attendance at films. Caves also commented on statistical studies of the impact of the Oscar award, capturing the so called 'Oscar's effect', on both artists and films. Nelson et. al. (2001) revealed substantial financial benefits from a nomination and award for best picture and best actor/actress. Further, Jones (2001) considered award-winning a status-enhancing strategy that opens up financial and future work opportunities. Deuchert, Adjamah and Pauly (2005) investigate the effect of Oscar nominations and awards on movies' financial success by estimating the impact on weekly returns and on movies' survival time. The findings suggested that nominations for Oscars generate substantial extra revenues, while winning an award contributes only a little to the additional rent. Hence, we state this argument formally as follows:

Hypothesis 2: Prize-winning films will be more commercially successful.

Given Europe's longer history of artistic certification than USA, further question worth posing is whether there is transfer of artistic credentials from European tournament events to those in the US. For example, Baumann (2001: 421) argued that in the 1950s and 1960s in the US, the "Importation from Europe may have substantiated film's artistic claims." Thus, award-winning in Europe, recognized for its artistic values, is expected to strengthen artistic credentials of a film at award rituals in the USA. Hence, the final hypothesis:

Hypothesis 3: Films that win prizes at European festivals are more likely to be nominated for prizes in the USA.

Three European Premier Film Festivals: Cannes, Berlin, And Venice

With its complexity and hybrid nature, film and film festivals is a suitable field in which to discuss the role of field configuring events as a nexus of art and commerce. Film festivals began as a European phenomenon (Harbord, 2002; De Valck, 2006; Mazza and Strandgaard, 2008) and for the purposes of this study we selected three European premier festivals: Cannes Film Festival, Berlin International Film Festival (Berlinale) and Venice International Film Festival. All three festivals are generally considered so-called 'A-festivals' and among the most important film festivals in the world. The three festivals are the worlds first accredited film festivals – Venice and Cannes in 1951 and Berlin in 1956 - accredited as International Competitive Feature Film Festivals by The International Federation of Film Producers Associations (FIAPF) ³. FIAPF describes the accreditation this way:

"The accreditation delivered by FIAPF gives the producers, distributors and sales agents, the guarantee that they will commit to festivals with a true international dimension, endowed with a strong and structured organization, involving industry professionals. FIAPF regulations stipulate a framework of protection between rights holders and festivals for the presentation of screened films. For example, a maximum number of screenings, the obligation to request any additional screenings, the obligation to ask for the permission of the rights holders in case of cuts required by the censorship authorities, the right of withdrawal of the film in this case, the return of the print within 15 days after the event. ... To guarantee an optimal level of services, accredited festivals are visited by FIAPF on a regular basis." (FIAPF, 2006: 4)

The three film festivals (Cannes, Venice and Berlin) are also listed by the Internet Movie Database (IMDB) among the top six film festivals (along with Toronto, Sundance, and Slamdance) (Awards & Festivals Browser 2006). An Internet search done at Google.com, Variety.com and Screendaily.com on festival titles as search phrases (see Appendix 1) shows, the three selected festivals are among the most frequently mentioned festivals at Variety.com, Screendaily.com and the Internet as a whole. The Cannes tops the list with over 5 million hits on Google.com and over 3.300 times mentioned in an article on Variety.com or Screendaily.com. Berlin and Venice appears on second and third places. Compared to other major festivals, like Toronto and Sundance, the three selected festivals are equally scored in number of hits. Below we provide a brief overview of each of the three festivals in the study.

The Venice Film Festival ('Mostra Internationale d'Arte Cinematografica di Venezia') is the oldest film festival in the world and is held annually in late August and early September. It is an initiative from the International Art Exhibition of Venice, held every second year and for this reason known as "La Biennale". La Biennale was launched in 1893 by the City of Venice local government as a venue for frontier artists from all over the world. The film art section of La Biennale (i.e. the Venice film festival opened in 1932 with the movie *Dr. Jekyll and Mr. Hyde* by Rouben Mamoulian. Although the first edition was not competitive, a poll among the visitors awarded the Russian Nicolaj Ekk as the best director and *A nous la libertè* by Renè Clair as the most enjoyable film. During the 1930s and 1940s, political issues affect the festival, with Italian and German propaganda movies dominating the event. From 1935 till the end

³ FIAPF was founded in 1933 (http://www.fiapf.org)

of World War II, no Soviet Union films participated, and between 1938 till 1946, no US films were invited to the festival.

During the first ten years a number of important changes occurred in relation to the festival. In its second edition, in 1934, the festival gets competitive (the award for the best actor/actress is named "Volpi Cup" after festival founder Volpi di Misurata). From 1935, the festival becomes an annual event and in 1936, an international jury was appointed for the first time. During World War II the festival was temporarily closed and began again in 1946. The festival very soon regained its status as a very popular event (in 1947, 90.000 visitors attended) by hosting films by reputed international directors primarily from France, US and UK. In 1947, films from the Sovjet Union and Eastern European countries participated again in the festival. In 1949 the international jury was established again and the best picture award was renamed the 'Golden Lion' after the city symbol of Venice ('Leone di San Marco'). In 1951, the festival is given the status of 'A film festival' by the International Federation of Film Producers (FIAPF). Since the beginning, the festival had been attracting media interest by hosting stars, and during the 1950s, this interest was supporting the promotion of the film production in Italy. The festival experienced political turmoil and crises during 1960s and 1970s. During the 1980s, the presence of stars helped the festival to overcome the decline of the seventies marked by political turmoil and crises. Since 1996, the festival has assumed a kind of flexible structure aiming at increasing the number of movies presented in Venice, even though not in the competitive sections. Every year new sections were launched to host new movies, new directors, more controversial works, experiments, and so forth. In this way, the festival represented an important opportunity to present very early works and "opus prima" for emerging directors worldwide. At the same time, an increasing emphasis was given in selecting movies that have not been presented elsewhere. For this reason, in 2001, a new prize was instituted, the 'Lion of the Year', aimed at distinguishing innovative movies with niche audience or more controversial issues. In 2006, for the first time, all the competing movies (about 20) were presented for the first time in Venice.

The Venice film festival has over the years become a major film and media event attended by 3,400 journalists and film professionals from all over the world. An estimated number of visitors amount to 350.000. Each year around 60 films are screened and about 20 films are in the competition, the vast majority of which are world or European premieres. Its budget amounts to about 9-10 million euros, originating from both public and private sources. The festival has a trade section, a film market. From the artistic side, the festival has kept the eye open to the new US directors (e.g. Sophia Coppola's *Lost in Translation* was presented in Venice) and to the Russian and Far East film industries. In the last years Golden Lions have been awarded to both Russian directors, Chinese and Korean movies.

<u>**The Cannes Film Festival**</u> ('*Festival de Cannes*') is held annually in May and was conceived in 1938 as a reaction to the 'Mostra di Venezia', where films were Page 9 / 31 Creative Encounters Working Paper # 14 being selected and awarded according to the dominant ideology, fascism. A group of critics and filmmakers who had attended the Mostra lobbied the French Government to underwrite an alternative international film festival, free from political censorship and held in France. The first festival was set to begin on September 1, 1939. However, the premiere had to be postponed, as France and Britain declared war to Germany on September 3. The first edition of the Cannes film festival took place in September 1946 at the Casino in Cannes, showing films such as Rossellini's "*Rome Open City*" and Hitchcock's "*Notorious*".

In 1951, the Cannes Film Festival is acknowledged as a so-called 'A' film festival by the International Federation of Film Producers (FIAPF) and was rescheduled from September to April to improve its positioning compared to the festivals in Venice and Berlin and not to miss out on world premieres taking place earlier in a year (Craig, 2002: 59). In 1955, the Palme d'Or award was created, and so was the film market (Marché du Film) four years later, in 1959. From its modest origins, the Marché has gradually grown into the world's leading market place for international film business, gathering about 10.000 participants from 91 countries. Over the years the main competition has been supplemented by a couple of festival "sidebars". The first sidebar was the 'International Critics' Week', founded in 1962 to promote first- and second-time directors, as a return to the festivals original values and attention to new filmmakers. In May 1968 a group of filmmakers closed down the festival in protest of the French political situation. The response materialized in 1969 through the creation of another sidebar, the 'Director's Fortnight', a film forum 'free from politics' (Craig, 2002:66). In 1972, the Cannes Film Festival's board of directors took over the responsibility for the selection of films, which until then had been in the hands of each country's respective government institutions. In 1978, the sidebar 'Un Certain Regard', was created by merging three other sidebars ("Les Yeux Fertiles", "L'air du Temps" and "Le Passé Composé" created in 1975) and the "Camera d'Or" was created, an award for the best firsttime feature film in any section of the festival, both initiatives signifying attention to new talent. The festival, however, also pays tribute to the great masters. The category "Cinéma de Toujours", created in 1992, is an Official Selection that combines tributes and retrospectives and, "The Cannes Classics" sidebar, inaugurated in 2004, consists of a selection of 'new or restored prints of classic films, tributes to foreign cinema, documentaries on filmmaking, and occasionally rare or rediscovered footage from days gone by' (Craig, 2002:65).

Over the years, the Festival has sought to balance between the artistic and the commercial domains. It is both an exhibition venue for film as well as a market that brings together film rights' buyers and sellers. Moreover, the Festival has become one of the most mediatized annual events in the film sector, with over 4,000 journalists representing 1,600 companies. At present, around 200,000 persons, from artists to businessmen, journalists and students, professionals and amateurs, gather in Cannes for the festival. Its budget amounts to about 20 million euros, originating in similar proportions from both public (the French Ministry of Culture and Communication, the City of Cannes and other local authorities) and private (a number of professional groups, institutional partners and official sponsors) sources. It is run by a permanent team of thirty people, which gradually increases to reach 1150 people during the event. Four juries are appointed annually by the Festival's board of directors. Each jury is in charge of a distinct section of the Festival and holds sole responsibility for selecting the awarded films. The jurors are reputable professionals from all walks of the international film industry. Jury membership, and especially its presidency, is bestowed on a kind of 'lifetime achievement award' basis.

The Berlin International Film Festival, ("Internationale Filmfestspiele Berlin") or the "Berlinale" (in reference to the "Biennale" in Venice), is held annually in February. The festival places special emphasis on representing films from all over the world. The decision to found a film festival in Berlin was made in 1950 under the initiative of US Film Officer Oscar Martay ⁴ and in collaboration with members of the city council of Greater Berlin and with representatives of the Berlin film industry (Jacobsen, 2000). This initiative was conceived in the context of the special geo-political situation in post-war Europe, marked by the rebuilding of Europe and the so-called 'cold war' (Jacobsen, 2000; Harbord, 2002) and, over the years the festival has on numerous occasions been overshadowed by political events.⁵

The very first International Berlin Film Festival took place June 6-18, 1951, and opened with Alfred Hitchcock's '*Rebecca*', starring Joan Fontaine, the most feted guest at the festival. The festival was positioned as a Western cultural event and a showcase of the 'free world', signified by the decision to exclude Eastern European countries from invitation ⁶. The European Film Market (EFM) was introduced in 1951 under the name 'Film Fair' and an integrated part of the Berlinale, and it has developed into one of the most important events for the international film business. In 1956, the festival was acknowledged as a so-called 'A' film festival by the International Federation of Film Producers (FIAPF), and with this status granted the right to form an international jury with the right to award the Golden and Silver Bears ⁷. This festival format remained unchanged until the mid 1960s ⁸. In 1970 the festival experiences a crisis (two years after Cannes and Venice experienced their crises in the aftermath of the student protests in 'May 1968') and the 'sidebar' 'International

⁸ See Jacobsen (2000:128-29) for more details on the content of the reform.

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⁴ From the Information Services Branch of the Office of the US High Commissioner for Germany (De Valck, 2006:64).

⁵ Like the political uprising in East Berlin in 1953, the second Berlin Crisis in 1959, the building of the Wall in 1961and its break down in 1989 and so forth.

⁶ According to De Valck (2006:65), various measures 'were taken to promote the Western world and Western Values in the East', such as low prices and heavy advertising in the border areas and 'the month of June was deliberately chosen for the festival as an International Youth Festival would be held in East Berlin' (De Valck, 2006:65) at the same time.

⁷ The Golden and Silver Bears (the Bear is the symbol of Berlin) were, however, introduced as the trophies already from the very beginning in 1951.

Forum of Young Cinema' is created. In 1975, all the socialist nations are invited to and participate in the festival. In 1978, the Children's film festival is established and the Berlinale is rescheduled from June-July to February-March, which has been the festival time from then on. In 2000, the festival is moved to a new centre at Potsdammer Platz.

The Berlinale is a major event attended by over 19,000 film professionals from 120 countries, including 3,800 journalists. More than 180,000 tickets sold, it also enjoys by far the largest audience of any film festival in the world. Its budget amounts to about 16-17 million euros, originating from both public and private sources, including government funding, ticket sales, accreditation and market fees, sponsorships and merchandising. Around 350 films are shown every year as part of the Berlinale's public programme, the vast majority of which are world or European premieres. Films of every genre, length and format can be submitted for consideration. The Berlinale is divided into different sections, which have come into existence over more than fifty years, each with its own unique profile ⁹. There is also a thematic 'Retrospective' and a 'Homage', which focuses on the lifework of a great cinema personality.

The most important prizes at the Berlinale are the Golden and Silver Bears. These prizes are awarded by the International Jury to films in the Competition. The International Jury also awards the 'Alfred Bauer Prize' for a film that "opens new perspectives in the art of filmmaking." Since 2006, a three-person international jury awards the 'Best First Feature Award' to a debut film in the Competition, the Panorama, the Forum or the Generation section. The International Short Film Jury awards a Golden and a Silver Bear in the Short Film Competition, and the 'Prix UIP' for best European short film. The Crystal Bears, the main prizes in the Generation section, are awarded by a Children's Jury and a Youth Jury. The International Jury of the Generation Kplus competition awards the prizes of the "Deutsches Kinderhilfswerk" charity. The Berlinale awards two official honours. 'Honorary Golden Bears' honour great personalities in cinema. The 'Berlinale Kamera' is usually presented to the personality to whom the Homage is dedicated.

Data and Methods

Sample and Dependent Measures

The data included in our study covered the ten-year period from 1996 to 2005; every film in competition nominated for any of the major prizes, which were defined as best picture, best director, best actor, and best actress, was included in our sample. Given that these are premier events, no film can play at more

⁹ That is, big international movies in the 'Competition', independent and art-house productions in 'Panorama', movies specially for a young audience in the 'Generation' section, the most exciting German cinema productions in 'Perspektive Deutsches Kino', and an in-depth look at films from "distant" countries and experimental forms in the 'International Forum of New Cinema'.

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than one of these festivals. Approximately 25 films are nominated per year for these awards at each of the three festivals, which would suggest a sample of about 750 films. However, some films are nominated for multiple awards and there is substantial variation in the number of nominations by year and by festival; thus we were left with a final sample of 649 films. To give some idea of the range of films and persons nominated for awards at these festivals, the winners of the principal awards at each of these three festivals in 2005 are reported in Table 1.

Table 1: Festival Prize Winners, 2005				
Categories	Cannes	Berlin	Venice	
Best Picture	L'enfant	Carmen e-Khayelitsha	Brokeback Mountain	
Best Director	Michael Haneke	Marc Rothemund	Philippe Garrel	
Best Actor	Tommy Lee Jones	Lou Taylor Pucci	David Strathairn	
Best Actress	Hanna Laslo	Julia Jentsch	Giovanna Mezzogiorno	

We used secondary data sources to collect information on these films sufficient to test our hypotheses. The principal sources to determine the films in the sample, were the websites of the three festivals: Berlin: <u>http://www.berlinale.org/</u>, Cannes: <u>http://www.festival-cannes.fr</u>, and Venice: <u>http://www.labiennale.org/en/cinema</u>. Much of the additional date came from (<u>http://lumiere.obs.coe.int/web/search.php</u>) the database LUMIERE, which is the result of the collaboration between the European Audiovisual Observatory, the various specialised national sources, and the MEDIA Programme of the European Union. The Internet Movie Database (IMDB) http://www.imdb.com/ was also used for various kinds of information on actors, production companies, to supplement data from other sources, particularly for the Venice festival, which did not include information for years prior to 2002.

To examine the potential commercial impact of festival awards, the study compares films that have been nominated and films that have won the awards for best film, best director, and best actor at the Berlin, Cannes and Venice film festivals. As suggested by our first hypothesis, we expect that the effect of being nominated will differ across these festivals. As suggested by our second hypothesis, we expect that winning these awards will be associated with better commercial performance. To test these hypotheses, we created a measure of commercial performance using the total number of admissions. We chose data on admissions rather than actual box office receipts for several reasons. First, it avoids the problem of trying to restate revenues to reflect different currencies that change value on a continual basis. This is made particularly difficult because we do not know the precise dates that specific revenues were collected and by the adoption of the Euro by a subset of the markets in the middle of our study period. Second, the time span between cinema distribution, TV broadcasting, and rental or sale of reproduced copies varied between countries and over time. Once again, we believed that admissions provided a common metric of comparison across these varied factors. These data were obtained from the Lumiere database; because there was considerable right skew to the data, we used a log transformation of the number of admissions rather than the count itself. Since the transformed data are approximately continuous, we used multiple linear regression with the log of admissions as the dependent variable to test the first two hypotheses. This variable is called LnEur36 in all of the analyses. In hypothesis 3, we argued that winning at premier festivals in Europe would enhance the performance in the most prestigious Hollywood awards for films in a given calendar year: The Golden Globes and the Academy Awards. Our dependent variables for the analysis to test this hypothesis is a count of the number of nominations received by any film in either of these two competitions; this variable is called USNoms in the analysis. We used ANOVA to test estimate this variable in testing Hypothesis 3.

Independent Measures

To determine whether nominations to different festivals had distinctive effects on the performance of films, we created a dummy variable for each of the three festivals. The first, called Cannes in the analysis, was coded one if a film was nominated for an award at Cannes and zero otherwise. We engaged in a similar procedure to create the variables Berlin and Venice. Hypothesis 1 is supported if the coefficients of these variables are significantly different. To distinguish the effects of awards to test Hypothesis 2, we created four dummy variables to code each of the categories of awards that we included in the study. The first variable was coded one if a film won the award for best picture, and zero otherwise; it is called **BestPictureWin** in all of the analyses. We followed the same procedure to create the variables BestDirectorWin, BestActressWin, and **BestActorWin**. We also created a variable equal to the sum of the wins of these four variables, which captures the effect of the total number of wins by any given film; it is called **NumOfWins** in all of the analyses. This will be used to test Hypothesis 2 in the event that there are no significant differences in the effects of the variables encoding the different kinds of wins. Hypothesis 2 is supported to the extent that these variables have a significant, positive effect on total admissions to a film. The NumOfWins variable is also used to test Hypothesis 3, which is supported if this variable has a significant, positive effect on USNoms, the number of nominations that a film receives for either Golden Globe or Academy awards.

We also created several variables to control for processes that might increase the number of admissions to a film, but that are unrelated to the ritualized tournament processes that are the theoretical focus of our study. The first of these is having access to the strong distribution system that has contributed to the dominance of Hollywood films in the global market. To control for this effect, we coded a dummy variable for whether a company from the USA was one of the producers of the film. It is coded one when this was true, and zero otherwise; the variable is called **USProd** in the analyses. We also worried that producing firms and countries might spend more advertising and promoting a film that had a bigger budget. To control for this effect, we included a variable that measured the budget of the film in millions of US dollars; it is called **BudgetMillions** in the analysis. In collecting the budget date, we noted that for a large portion of films, over half, budget information was not available; to estimate the effect of missing budget data on the number of admissions, we created a dummy variable. It was coded 1 if budget data was missing, and zero otherwise; it is called **MissingBudget** in the analysis.

Results and Discussion

Descriptive statistics are reported in Table 2. The values for the dummy variables coding the nominating festival for each of the films in our database reveal that about one third of the films were entered at Cannes, slightly more than one third were entered in Berlin, and slightly less than one third were entered at Venice. The values for the various nominations are similarly revealing: About ten percent of the films won a prize for best picture. Half that amount, or five percent of the films, won best director or best actor awards; interestingly, the percent winning best actress, at about six percent, was slightly higher, but this difference in the actor awards was due to rounding. It should also be noted that best picture is not strictly a dummy variable and has a maximum of two. This is because the festivals often award a grand prize in addition to a best picture prize; we followed convention and considered the grand prize a best picture prize, even when the same film won both awards. The value for the number of wins variable reveals that the most prizes won by any single film in the database was three and the average film in the date base did not win a prize. The average of 0.26 suggests that only about one film in four actually won a prize in the festival where it was entered. The average budget number among those films that had budget numbers was just over US\$4 million, but there was one film that had a budget in excess of US\$80 million. However, the missing budget number variable, with a mean of 0.77, suggests that this number should be interpreted with caution as we could not obtain budget numbers for over three quarters of the films. Given that it is quite likely that it is easier to obtain budget numbers for films with larger budgets, the mean on the budget number is probably considerably bigger than the true mean budget among nominated films. Interestingly, the mean of US nominations is almost exactly equal to the mean number of wins among films in our sample; films were just as likely to receive a Golden Globe or Academy Award

Table 2: Descriptive Statistics						
Variable name:	Minimum	Maximum	Mean	Std. Deviation		
Cannes	0	1	.33	.471		
Berlin	0	1	.36	.481		
Venice	0	1	.30	.460		
USProd	0	1	.24	.425		
BestPictureWin	0	2	.10	.314		
BestDirectorWin	0	1	.05	.210		
BestActorWin	0	1	.05	.223		
BestActressWin	0	1	.06	.235		
NumOfWins	0	3	.26	.526		
BudgetMillions	.00	80.00	4.5139	11.71602		
MissingBudget	0	1	.77	.420		
USNoms	.00	2.00	.2619	.62295		

nomination as they were to win a prize at the premier festival in which they were entered.

Results of estimation of the natural log of admissions, the dependent variable to test Hypotheses 1 and 2, using all of the independent variables to test the same hypotheses as well as the control variables, are reported in Table 3. To test Hypothesis 1, we included the dummy variables to indicate that a film was nominated at Cannes and Berlin; films nominated at Venice are left as the omitted categories. The results offer strong support for Hypothesis 1: The effect of being nominated at Cannes is positive and significant (p < 0.001), indicating that a nomination at Cannes has a large positive effect on admissions relative to a nomination at Venice. By contrast the effect of Berlin is not significant, indicating that nominations at the Berlin festival have no more effect on admissions than a nomination at Venice. Further, a test of the equality of the coefficients on Cannes and Berlin is rejected (p < 0.001) in favor of the alternative hypothesis that the effect of Cannes is larger. The conclusion with regard to Hypothesis 1 is clear; there is a hierarchy of festivals in terms of the effect of a nomination on admissions, with Cannes at the top. The effect of a nomination at that festival is large, indicated by a beta coefficient that is second highest in the model, and significantly more positive than a nomination at Berlin or Venice, which cannot be distinguished from one another in terms of their statistical effect on admissions.

Table 3: Regression of Log of Admissions					
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	В	Std. Error	Beta	В	Std. Error
(Constant)	10.841	.542		20.019	.000
Cannes	1.271	.344	.156	3.697	.000
Berlin	438	.337	055	-1.298	.195
BestPictureWin	1.707	.441	.140	3.872	.000
BestDirectorWin	.876	.651	.048	1.346	.179
BestActorW in	1.016	.621	.059	1.635	.102
BestActressWin	1.748	.588	.107	2.973	.003
BudgetMillions	.041	.017	.126	2.395	.017
MissingBudget	797	.495	087	-1.610	.108
USProd	1.573	.422	.174	3.727	.000
F: 18.94, p < 0.001. Adjusted R-Squared: 0.178					

The model also includes the variables on winning prizes that are required to test Hypothesis 2. All of the variables for wins, best picture, director, actor, and actress have a positive effect on admissions; one-sided tests of their effect, which are appropriate given the directional hypothesis, reveal that prizes for picture, actor, and actress, are all significant at p < 0.05, while the prize for director is significant at p < 0.1. More importantly, however, the effects are not significantly different from one another; the hypotheses that the coefficients for these variables are equal cannot be rejected. As a result, we added the effects of the individual wins together by substituting the variable measuring total wins for the four variables coding the wins in individual categories. We have also omitted the variable coding nominations to the Berlin festival, as this variable was not significant in the prior model. The model reflecting these changes is reported in Table 4. Once again, Hypothesis 1 is supported; the variable measuring the effect of nominations at Cannes has a positive, significant (p < 0.001) on the log of admissions. In fact, the interpretation of the effect of the a nomination on admissions, given that the dependent variable is the natural log of actual admissions, is they increase nearly one hundred fifty percent for a film that is nominated for a prize at Cannes. Hypothesis 2 is also supported, with the effect of number of wins both positive and significant, p < 0.001. The interpretation of this coefficient is that admissions increase by just over one hundred forty-four percent for each prize won at any of the premier festivals. The control variables for the budget of the film and the participation of a firm from the US as a producer are both positive and significant. Apparently each million dollars of budget increases the audience by about four percent, and the participation of a US firm increased audience by over one hundred fifty percent. The conjecture that budget numbers are more likely to be missing for films with lower budgets is supported by the negative, significant (p < 0.001) effect of the variable indicating that budget information was not available for a film; in fact, audience was on average about eighty-three percent lower for these films.

Table 4: Reduced Model of Log Admissions					
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	В	Std. Error	Beta	В	Std. Error
(Constant)	10.655	.510		20.877	.000
Cannes	1.497	.290	.184	5.155	.000
NumOfWins	1.442	.261	.198	5.520	.000
BudgetMillions	.039	.017	.119	2.277	.023
MissingBudget	834	.494	091	-1.688	.092
USProd	1.516	.419	.168	3.620	.000
F: 29.26, p < 0.001. Adjusted R-squared: 0.179					

The final model presents the data to test hypothesis 3: Winning prizes at the premier European festivals will increase the probability of nominations for the big Hollywood awards. To test this, we performed an analysis of variance of number of nominations for these awards, including the number of premier festival wins for each film as the dependent variable. The results provide strong support for Hypothesis 3. The null hypothesis that festival wins has no effect on nominations is rejected, p < 0.001, in favor of the alternative hypothesis that festival wins increase the number of nominations that film receives. Overall, the empirical tests provide strong support for our model of festivals as ritualized tournaments. They are arranged in a hierarchy in terms of their effect on commercial success: Nominations at the Cannes festival have a significantly larger impact on admissions than nominations at Berlin or Venice. Winning a prize at any of the festivals yields a significant and positive impact on audience size for a film. Lastly, winning a prize at one of the festivals significantly increases the likelihood that a film will be nominated for a Golden Globe or Academy Award.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	20.797	3	6.932	19.384	.000
Within Groups	230.673	645	.358		
Total	251.470	648			

Table 5: Analysis of Variance in USNoms

Hence, the study offers some preliminary insights on the role and impact of European premier film festivals. Our analysis revealed that, similar to a

clasification system of cultural forms (DiMaggio, 1987), there seems to be a classification system in operation among these festivals in terms of their effects on commercial success, with Cannes being clearly the most commercially valuable endorsement. Further, winning an award at such a festival is a signaling of twofold nature – for both audiences (it has a positive impact on audience size) and professionals involved in judging films' value (it enhances the likelihood of nomination for other awards). Hence, similar to other cultural institutions, tournament rituals (Anand and Watson, 2004) and field configuring events (Lampel and Meyer, 2008) such as film festivals can have hybrid identities (Glynn, 2000) and are subject to status ordering with regard to their mediating role between the artistic and the utilitarian ends of the continuum.

Appendix 1 Internet search			Screendaily.c
Hits for FIAPF listed A-festivals:	Google.com	5	om
"Cannes Film Festival"	5.530.000		
"Venice Film Festival"	2.980.000		
"Berlinale"	2.360.000		
"Berlin International Film Festival"			
	954.000		
"Montreal World Film Festival"	628.000		_
"Berlin Film Festival"	463.000		
"Venice International Film Festival"	171.000		
"Locarno International Film Festival"	102.000		41
"Karlovy Vary International Film Festival"	98.400		46
"Locarno Film Festival"	98.200		
"Tokyo International Film Festival"	97.100		
"Montreal Film Festival"	83.400		
"Moscow International Film Festival"	80.700		27
"San Sebastian Film Festival"	63.300		
"Karlovy Vary Film Festival"	61.500	309	14
"Shanghai International Film Festival"	54.400	5	25
"Moscow Film Festival"	48.500	66	15
"Mar del Plata Film Festival"	44.900	36	5
"Cairo International Film Festival"	40.300	1	7
"San Sebastian International Film Festival"	34.300	0	139
"Tokyo Film Festival"	32.000	81	7
"Cairo Film Festival"	17.800	34	3
"Shanghai Film Festival"	12.300	43	4
"Mar del Plata International Film Festival"	653	0	14
"Donostia San Sebastian International Film			
Festival"	625	1	29
"Mar del Plata"	-	90	41
"Cannes"	-	9818	2445

Appendix 1 Internet search hits for film festivals

	Google.co	Variety.co	Screendaily.co
Hits for other major festivals:	m	m	m
"Toronto Film Festival"	4.870.000	1828	88
"Sundance Film Festival"	3.920.000	2153	309
"Toronto International Film Festival"	2.560.000	37	88
"Edinburgh International Film Festival"	195.000	1	85
"Edinburgh Film Festival"	195.000	197	28
"International Film Festival Rotterdam"	146.000	5	35
"Raindance Film Festival"	103.000	19	9
"Rotterdam Film Festival"	92.600	359	39
"Columbus International Film & Video			
Festival"	21.600	1	0
"The Chris Awards"	608	0	0

Internet search was conducted from September 15 to September 25, 2006 at www.google.com, using the standard Google search engine, www.variety.com, using the homepages advanced search for news, articles and review, and www.sreendaily.com, using the homepages general search.

Appendix 2

Database content and coding

The categories for data coding is listed below:

	Description	Data sources		
Title:	Title used in Competition	The Film Festivals websites		
Festivals:	Berlin, Cannes and Venice	The Film Festivals websites		
Year:	1996-2005	The Film Festivals websites		
Director:	If more than one - the first one mentioned will be registered	The Film Festivals websites		
Best Director:	Award	Berlin and Cannes: Festival sites, Venice: the Lumiere database		
Key Actor 1-3	Star actors	Festival sites AND the Internet Movie Database (IMDb)		
Best Actor:	Award	Berlin and Cannes: Festival sites, Venice: the Internet Movie Database		
Key Actress 1-3	Star Actress	Festival sites AND the Internet Movie Database (IMDb)		
Best Actress:	Award	Berlin and Cannes: Festival sites, Venice: the Internet Movie Database		
Production Company:	The first company listed at IMDb with same national origin as the film in competition	The Internet Movie Database (IMDb), alt. Google.com		
Co-production:	<i>Still not sure about the reliability of the data in this category.</i>	Festival sites AND the Internet Movie Database (IMDb)		
Country:	The first country listed at the festivals sites	Berlin and Cannes: Festival sites, Venice: the Internet Movie Database		
Berlin Awards:	Golden Bear and Silver Bear	The Berlinale website		
Berlin - Special Awards:	Other awards e.g. Blue Angel	The Berlinale website		
Cannes Awards:	Golden Palm and Grand Prix	The Cannes Film Festival website		
Cannes - Special Awards:	Other awards	The Cannes Film Festival website		
Venice Awards:	Golden Lion and Jury Grand Prix	The Internet Movie Database (IMDb)		
Venice - Special Awards:	Other awards e.g. Best Screenplay	The Internet Movie Database (IMDb)		
Admissions EUR 15:	European Union prior to enlargement	The Lumiere Database		
Admissions EUR 25:	Enlarged European Union from 1st May 2004	The Lumiere Database		
Admissions EUR 35:	Member States of the European Audiovisual Observatory	The Lumiere Database		

Year:

The year registered is the year of entering competition and NOT production year.

Actors:

The two main sources for this data are the festival sites and the Internet Movie Database (IMDb). The IMDb has been used when data at the festivals archives were not fulfilling.

Production Company:

The data has been submitted from the Internet Movie Database (IMDb) as the information has not been available at the festivals websites.

The first name at the list – from the same country which entering the competition - will be registered. Sometimes it will not be possible to find the name of the production company, the data will then be coded as "UNKNOWN". Supporting public organizations (e.g. The Danish Film Institute) or television broadcasting companies (e.g. BBC or France2) are only registered, if there are no private companies listed at the database.

About co-production: If there is only listed one production company at the IMDb and there is not correlation between the one listed at the festivals database and the list at IMDb – the registration should be "yes" to the question about co-production.

Country:

For entering country data Lumiere's ISO codes are used (list of ISO-codes available at the Lumiere website). The country entering the competition is defined as the first country mentioned at the archive in the festival database (except data for Venice that is retrieved from IMDB).

Awards:

There will be coded as many awards/prizes as possible. Golden Bear, Golden Palm and Golden Lion will be registered as the festivals main awards as well as the "second prizes" – Silver Bear, Grand Prix and the Jury Grand Prix. Awards for Best actor/actress, Best music, Best screenplay, Best director and so forth have also been coded.

Berlinale:

The Jury's Special Prize and Grand Prize are coded as the same prize. From 1996-1998 the Silver Bear was known as the Jury's special prize. From 1999-2001 known as the Jury's Grand prize. From 2002 known as Jury Grand Prix, Silver Bear. The Jury can also award the prize "The Jury prize/Preis de Jury" which is not the same as the Jury Grand Prix, but an extra prize.

Cannes:

If a well-known key actor is, for example number four at the list of actors – the key actor will be coded before an unknown actor. In this case the list of credited cast at the IMDb will be used for confirmation. Key actors will be registered in random order – due to the list from the festival database – accept in cases were one of the key actors has won an award for best actor – in that case the prize winner will be the first registered

Admissions:

For information about the admission numbers the EU database "Lumiere" was used. The data is coded for the three ISO codes EUR 15, EUR 25 and EUR 35 and not by Country. EUR 15 covers the European Union prior to enlargement, EUR 25 covers enlarged European Union from 1st May 2004, and EUR 35 covers member States of the European Audiovisual Observatory.

Database format: Microsoft Access 2000

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Internet links:

ANICA, the National Association of the Italian Movie Industry,

http://www.anica.it

Baseline: http://www.baseline.hollywood.com

BBFC: The British Board of Film Classification, http://www.bbfc.co.uk Box Office Guru: http://www.boxofficeguru.com Box Office Mojo: http://www.boxofficemojo.com Empire: http://www.empireonline.com HSX: Hollywood Stock Exchange, http://www.hsx.com IMDb: Internet Movie Database, http://www.imdb.com Market Recap: HSX (above) MPAA: Motion Picture Association of America. http://www.mpaa.org Premier: Premier's annual listing of the 100 most powerful people in Hollywood. http://www.premiere.com Screen International: http://www.screen.arts.gla.ac.uk TV Guide, http://www.tvguide.com Ulmer, James: James Ulmer's Hot list. http://www.ulmerscale.com Variety: https://www.variety.com www.cbs.dk/creativeencounters

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