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In Innovative Entertainment Economy Framework, Economic Impacts of Culture Industries: Turkey and Hollywood Samples

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Abstract

This study begin with the facilities of the film industry in Turkey, then activities of Ministry of Culture and Tourism General Directorate of Cinema of Turkey, sales of box office, and film industry investments are discussed. Contributions of the film industry to economies and cultures of the cities analyzed with multiplier effect. When analyze the Turkish film industry export, which has been argued that it is level to show the effect on the international scale. The main point of this discussion is Hollywood film industry that has effects in global scale with advances level. The film industry is seen as a mass communication tool with sub-factors. Cinema is also one of the content items of mass media. It affects society in many different ways as from fashion to tourism and from culture to economy. Hollywood is a successful sample in this regard. It has effects all around the world with perception management and commercial relations. In what degree, Turkey can export series, movies and other multimedia elements and use movie industry as an economic and cultural bridge were evaluated. Although early stage, the transfer of cultural codes and economical choice will be realized more quickly with the improvements of communication and transportation facilities. The issues to be addressed within the scope of cultural economics and information technology, the effects of the Turkish film industry on a global scale will be considered, so that the researchers who will make new studies, the investors who make movies, and industrial organizations have a study to base. By examination of this study periodically in the future, changings of effects of the Turkish film industry on a global scale to be seen and trend analysis can also be performed.

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1. Introduction

The first public (with a free) film screening was made by Auguste and Louis Lumière brothers in 28 December 1895 in Du Grand Cafe with a machine called cinematographer that records and shows (over a screen) videos. With this film called *La sortie des usines Lumière*, they were leading the foundations of cinema industry. With this move that started in Paris, France has begun to come to the fore in the film industry then Denmark and Italy has followed its. However, Europa film industries began to lose power at the period of World War I. American film industry that produced new technologies and made research and development investments have started to come to the fore.

The film industry is seen as a mass communication tool with side factors. Cinema is also one of the content items to other mass media. From fashion to tourism, from culture to economy it affects society many different directions. Hollywood is a successful example in this regard. With perception management and commercial relations, it has effects all around the world. So, can Turkey export these multimedia elements as series, films and the like of use film industry as a bridge? Turkey is still at an early stage. But, with the development of communication and transportation facilities, it will transfer its cultural codes and economic preferences more quickly than today. Turkish film industry has a potential to grow rapidly with the innovative ideas, more research and development investments, and incentives.

2. Film Industry in Turkey

2.1. Facilities of the Film Industry in Turkey

There are many post-production and production companies in Turkey, most of them in İstanbul. There are eight studios and plateaus as Yeşilçam, Ottoman, Antalya, İstanbul, Film Sokağı, TEM, Taksim, Matla. There are many associations and foundations, especially IFCA has an significant effects. There are some faculties, institutions and vocational schools in universities as communication and arts faculties, Radio, Cinema and Television departments and Visual Communication Design programs. Turkey is making international film festivals as İstanbul, Adana Golden Boll, and Antalya Golden Orange. There are six sound studios in İstanbul. There are many renters to get camera or lens. There are also some effect and animation studios, film distribution firms. There some companies rent helicopters and airplanes to make films.

2.2. Republic of Turkey Ministry of Culture and Tourism General Directorate of Cinema and Its Activities

The first governmental organization about cinema in Turkey was Cinema Department that founded in 1977 as sub-unit of Fine Arts General Directorate of the Ministry of Culture. After that it has become General Directorate, it continued with Ministry of Culture with the separation of the ministry in two. With the merger of ministries, it was organized as sub-unit of the Ministry of Culture and Tourism with decree-law that numbered 662 and dated November 2, 2011 (Resmi Gazete, 2011).

General Directorate of Cinema supported 332 feature films with ₺87.949.646. Increase in production occurred with this support, the number of domestic film increases from 27 in 2005 to 108 in 2014. 34 of these 108 films were supported by the Ministry (Incentives to the Cinema Industry, www.sinema.gov.tr). In addition to numerical increase, the emergence of qualified productions and international awards getting by these films show that Turkish cinema is moving towards becoming the brand.

Table 1. Incentives for cultural and artistic activities by years (₺).

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.1m	7.3m	8.9m	13.2m	15.6m	13m	12.6m	7.3m	9.9m	13.2m

Source: The data are arranged according to www.sinema.gov.tr.

Documentaries, scenarios and other productions are also supported by General Directorate of Cinema accordance with law numbered 5224 (www.mevzuat.gov.tr). Cinema Support Board has provided support for 203 projects in 2014 with ₺4.102.750. Presidential also supports national or international film festivals, cultural and artistic activities. In 2014, it provided supports 114 projects (39 of them international) with ₺13.161.800 (Incentives to the Cinema Industry, www.sinema.gov.tr).

2.3. Box-Office in Turkey

In the last decade, the number of domestic film production increased by 300%. In 2014, 357 new films were released, 249 of them were foreign production. 134 of these productions are American that controls 37% (highest share) of market. All these domestic and foreign productions watched more than 60 million in Turkey. The number of moviegoers increased in the period of 2005-2014 (except 2007 and 2009). It was 61.4 million last year and the share of domestic production was 58% (Turkey Vision Report 2014, www.sinema.gov.tr).

Table 2. Number of Domestic and Foreign Audience of Turkey by years.

Origin/Year	2010	2012	2014
Domestic	22m	20m	36m
Foreign	19m	24m	25m

Source: The data are arranged according to www.sinema.gov.tr.

Average ticket price ₺10.6 and ₺654 million revenue was obtained in 2014. 54% (₺356 million) of this revenue came from domestic films. Averagely 168 thousand people went to cinema per day last year. Ten films that watched more were domestic films. The most preferred first three movies were “Recep İvedik 4”, “Eyvah Eyvah 3” and “Düğün Dernek” (Turkey Vision Report 2014, www.sinema.gov.tr).

Construction of 2014, Nuri Bilge Ceylan got Golden Palm Reward at the (67th) Festival de Cannes with “Kış Uykusu”. Kaan Müjdeci got Special Jury Prize at the (71th) Venice Film Festival with his first feature film “Sivas” that supported by the Ministry. The headliner of the film is Doğan İzci who got Premio Bastio D’Oro 2014 Reward (best male actor) from Italian film writers. Another film “Annemin Şarkısı” that supported by Ministry got best film reward at Sarajevo Film Festival. With this film that made by Erol Mintaş, Feyyaz Duman got best male actor reward (Sabah, 27.12.2014). These awards have contributed to the recognition of the Turkish cinema.

2.4. The Movie Industry Initiatives and the Number of Employees

According to TÜİK (Turkish Statistical Institute) statistics, there 1546 firms have been working on the film industry by the year 2008 in Turkey. Most of them (855 firms) operate in İstanbul. This was only 0.06% of total venture (www.tuik.gov.tr). Turkish film industry is growing at an accelerating rate. However, it does not yet compete with leading countries of the world. For instance, the number of film production in Turkey was 1126, at the same time; England produced 7970 films in 2008(Tore, 2010).

Table 3. Number of people working in the film industry in Turkey and the UK.

Country/Year	2004	2006	2008
Turkey	4487	7607	6680
England	54718	46032	38648

Source: The data are arranged according to Tore (2010).

6880 people were working at film industry as producer, distributor, and exhibition based on 2008 statistics. This number is the 0.07% of the total employee in Turkey (SGK, 2009).

2.5. Wheel of the Film Industry in Turkey

Making a film is seen as a risky business. Costs and estimated box-office receipts must calculate carefully and production should be realized accordingly. Otherwise, a business you spend million dollars, you can get million dollars loss. There are some business, these analysis can perform more easily and brings more revenue. For instance, making commercials, series, and the like. In these businesses, producers spend less time and money. Staffs get more experience and technical knowledge in these fields. Ezel Akay (Tore, 2010) said that when we establish İFR, we will make films, firstly learn the work by pulling commercials. So, the advertising industry is feeding series sector and cinema sector. It is integrated. This interaction linked to the popularity of the players. Movie industry was in the hands of theater actors in the past; nowadays it is the home of many famous from television screen.

Some films are making to attract the attention of the picturegoer instead of artistic value. These films are important for box-office receipts and then financial cycle of industry. Faruk Aksoy who is thee producer of Recep İvedik spends box-office receipts of this film to Fetih 1453 (T24, 2012). Fetih 1453 was most-watched film for Turkish cinema industry and got more than spends (17 million dollar). A film good or bad for artistic value has a value for cinema sector and creates the basis.

In Turkey, domestic films attract viewer more than foreign productions. Because of that money cycle is working quickly and the sector is growing rapidly every passing day. If Turkish cinema was not lost the momentum of Yeşilçam in 80's and 90's, nowadays it could have been much further. Despite all the growth and progress, the technical staff shortage and financial problems are still important problems of the sector. A person has to do multiple jobs sometimes. This also prevents specialization. Most of those who invested money in the sector are not relevant with sector. Workload focuses on certain people. This also affects the quality of the work and time.

As with all financial projects, analyses have importance for cinema sector. Not just the company's financial position, project finance should consider project based. For there, they need independent assessment organizations. These organizations are also important for banks. When they are giving credits, they need assessments and guarantees. At the same time, the company will be sponsor needs to be convinced. If a firm (sponsorship) could not get enough financial analysis, it is unable to convince.

3. Contributions of Film Industry to Urban Economies

The movie industry should affect labor force, production of goods and services. It is starting somewhere and then affects many things with multiplier effect. Large-scale productions or studios, plateaus have interaction with cities and offer some benefits to them. Among these, it comes to strengthen the city's economy. At the same time, offered infrastructure facilities, urban tourism triggered by the discovery of items in the media, to come the stars to cities can carry cities to remarkable position. Sydney has Fox Studios and it has positive effect to get Sydney Olympics 2000.

Table 4. Multiplier effect of shooting a movie in Texas.

Private Residence Rental - \$136,000
Hotel Rentals - \$291,000
Short-term Crew Lodging - \$98,000
Car Rental - \$420,000
Freeway Tolls - \$22,000
Set Dressing/Props - \$127,000
Wardrobe - \$128,000
Furniture Rental (production office)- \$49,000
Party Rents - \$32,000
Airline Tickets - \$350,000
Lease (production office-5 months) - \$105,000
Gas/Oil/Vehicle Maintenance - \$60,000
Crane Rentals - \$70,000
Utilities (production office) - \$25,000
Construction Materials - \$31,350
Janitorial Services - \$50,400
Waste and Trash Removal - \$24,462
Outhouses/Dumpsters - \$20,000-\$30,000
Catering/Food & Beverages on set - \$186,851
Office Supplies - \$17,000
Mailing/Express mail - \$7,000-10,000/wk.
Telephones (equipment & calls) - \$111,000
Cell Phone Use - \$66,000
Arts Supply - \$3,500
Film - \$3,000
Local Transportation/Limo service - \$6,000
Printed Forms - \$2,500
Courier Service - \$5,000
Locksmith - \$4,000
Store employees - Over 50 checks to store employees for OT, allowing stores to remain open for all-night filming.

Source: International Trade Administration of USA (www.trade.gov).

As shown in table, many sectors were influenced by shooting movie and the team in Texas has spent money approximately 2.5 million dollar. Another important opportunity for the city is interest to areas and cultures shown about city. The number of tourists and tourism revenues of these places increase.

Table 5. Impacts of films.

Film or TV Series	Location	Impacts
Braveheart	Wallace Monument, Scotland	300% increase in visitors year after release
Saving Private Ryan	Normandy, France	40% increase in American tourists
Troy	Canakkale, Turkey	73% increase in tourism
Forrest Gump	Savannah, Georgia	7% increase in tourism

Source: Hudson and Ritchie (2006).

3. Economic and Cultural Impacts of Turkish and Hollywood Film Industries

Turkish film industry seems to be off to external investment. Although foreign-made films shooting in Turkey, plateau and studio building, technical equipment and workforce transfer not yet mentioned. Entrance of international big movie companies to Turkey can give positive effect, on the other hand, the entry of foreign players in a league where there are not strong players; it may be destroy the Turkish film industry.

Turkish films began to win awards at international festivals with Nuri Bilge Ceylan, Fatih Akın, and Derviş Zaim. This situation increased interest in Turkish films in connection with culture, tourism and economy.

The (former) Economy Minister Zafer Çağlayan made a press release at United Arab Emirates visit and quoted the words of UAE Foreign Trade Minister Sheikha Lubna Al Qasimiya as "Mr. Minister, you changed our working order, behavior of our people. Your series are so beautiful". Çağlayan announced that Turkey exports series of films to 45 countries all around the world and added, "Back then, one episode would be sold for \$50,000. Now the price for an episode is \$250,000" (Dunya, 2013).

In a statement the (former) Economy Minister Çağlayan made in 2012, the film export target announced \$1 billion for 2023. In addition, Çağlayan announced the establishment of the film plateau in the special economic zones bill (Vatan, 2012). Culture and Tourism Deputy Minister Abdullah Arıcı reported that Turkey exports series totally 11 thousand hours and its value was 150 million dollars (İHA, 2013). Head of Professional Union of Broadcasting Organizations Dursun Güteryüz mentioned that Turkey sold 35 thousand 675 hours series and programs to 76 countries between 2005 and 2011 (Dünya, 2013). Foundations and associations are also making efforts to increase the film exports. Although instant data could not get from official institutions, series export much more than cinema films.

Developing good relations with Middle Eastern countries in recent years has triggered the export series in the film industry. More Arab tourists visit Turkey for touristic purpose compared to the past. They want to visit and see the places, people and culture that they watch from the series. At the same time, they learn Turkish culture and Turkish economy also turns profitable from this business. Exported series have been an important factor for the formation of public opinion about Turkey at Turkish World, the Balkans, and Middle East. Grandchildren of societies living together many years in near geography began to recognize each other again.

When looking the position of Turkish film industry and its export, it cannot compete with Hollywood or Indian film industries. It remains regional. Films of big industries have advanced distribution networks and agreements. They dominate markets many years culturally and economically with their products and its supplements. Hollywood is a successful model in this regard. Turkish film industry has high growth rates; it needs to take a long way to reach that size.

One of first movie companies is Paramount came to the Hollywood for several reasons as inadequate light, climate and working conditions. And also it wants to overcome problems of patent. It triggered the other firms and when it comes to 1913, many cinema producers came to the Hollywood. First film studio of Hollywood founded by Nestor, the first film of that was *In Old California* made in March 1910. Then Nestor merged with Universal Film Company. Hollywood came to dominate the world of cinema in the world in 1920s. Colonial also got its share. Hollywood has started to become a means of communication between the countries. Every country that it went, it also leded the demand for American goods and lifestyles. Stalin has noticed this and has said these words, "If I could control the medium of the American motion picture, I would need nothing else to convert the entire world to communism" (Vaughn, 2006). This power has shown different concepts as strike of the secretaries in 1920s in France, the spread of American lifestyle, the expansion of the relationship between freedom and American flag that established with the Hollywood productions, and refreshing the Middle Age darkness image of the church. Again, the wars and occupations of America are showing innocent and symbolized. A good perception management is applied with victimization or good communication with the local population of American soldiers and using of love.

Gilles Jacob said that “America is not just interested in exporting films. It is interested in exporting its way of life” (Poultney, 2005). This case continued towards immigrants after World War I. In an article which published in 1927 at Film Fun Magazine, it is claimed that a foreign can become like an American in five years, and this statements were using as if a European watches the American films, he/she can learn many things about America and Americanization processes.

Culture economy was one of the most important evidence of the American dream. Jack Valenti (Keane, 2013) said that "Trade is much more than goods and services. It's an exchange of ideas. Ideas go where armies cannot venture. The result of idea exchange as well as trade is always the collapse of barriers between nations". World become a big market for the US economy with several reasons as globalization, accelerator effects of internet, military power and also popular culture. Some discussions occur about the transformation from cultural sharing to cultural imperialism. Hollywood is pursuing a systematic mutual diet. Productions reach different countries that are launching commercial relations. Then cultural items transfers and demand occurs. Globalization supports Hollywood, Hollywood feeds globalization and global economic system simultaneously.

With development of information technologies, virtualization and globalization, the possibilities of export of arts has developed, the spread of information became easier. Efforts for creating global image began to be carried out with photography, cinema, television, and internet. Kapur (The Guardian, 2002) said that "In its first week Spider-Man made \$150m and everybody was zonked out. Ten years from now, Spider-Man will make \$1bn in its first week. But when Spider-Man takes off his mask, he'll probably be Chinese. And the city in which he operates will not be New York, it will be Shanghai. And yet it will be an international film, it will still be Spider-Man". This evaluation sheds light economic and cultural relationships of today. Spider-Man was a global symbol like many cultural elements. America has already begun to reach areas not reached by the intelligence agencies in the world with Hollywood. Gardels (Miller, 2003) said that "MTV has gone where the CIA could never penetrate". If the Indian movie industry reaches a global power or local film industries come to competitive levels with the development of infrastructure, the number and quality of movies, Hollywood effects will continue.

4. Conclusion

Turkish film industries facilities are developing. Supports and incentives have contributed to this development. The number of production, sales and revenue of Turkish films increase. It has begun to show regional impact and sometimes global effects. Innovative ideas have an important role for these. Because, there are foundations of the Turkish film industry and they should be supported with creative and innovative ideas. Turkey is in early stage in this context, when it compares with Hollywood. It has global social, cultural and economic effects. When Turkey uses its power correctly, it will be a global player in the medium term.

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