Creative decision making within the contemporary Hollywood studios

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Abstract

This article seeks to contribute to the current debate about the decision-making process within the Hollywood studios and the marketing-driven quest to micromanage the creative process in order to manufacture more consistently profitable films. The author outlines the process to which scripts are subjected in order to determine their suitability for production and how this impacts the quality of the scripts. There are compelling questions about whether the current business model hinders relevant, definitive cultural narratives and how this affects both the quality and profitability of contemporary films. In addition to considering the existing literature dealing with the topic, this article also draws on the author's fifteen years' experience in Hollywood as a screenwriter, agent and producer.

film production

film marketing

Author's Note: While the preferred reference term in academic studies is 'film', the industry uses 'movie' to refer to a commercial or studio project and 'film' for independently produced and financed projects. For the purposes of this article, the term 'movie' will be used throughout, while 'film' will only be employed when the reference is specific to an independent project.

Introduction

In articulating a critical counterpoint to the self-mythologizing hubris of the venerable Hollywood 'dream factory', one recognizes that a movie's potentially subversive and coercive effects can be subtly manifested in carefully layered textures and texts. However, in order to achieve a truly comprehensive integrative analysis, scholars must also turn to the decision-making processes utilized and relied on within the studios and consider such questions as what makes a paradigmatic movie and who decides to make (i.e. greenlight) movies – decisions of taste and art made against the imposing economic and financial backdrop of the industry. This article focuses specifically on the important connection between script quality and movie success.

In examining the quality-control system Hollywood movie studios have used since the early 1980s to assess a screenplay's potential for production, one must investigate the corporate decision-making hierarchy determining what types of movies are made and the various factors increasingly affecting that process. One could also

address whether less restrictive creative parameters would lead to less expensive and, ultimately, more profitable, movies that would appeal more convincingly in terms of taste aesthetics to a viewing public where not only demographics matter but also a growing individualized willingness to eschew dogmatic, elitist, popular, conventional and comfortable aesthetic tendencies. This article addresses the detrimental effect on originality arising as a direct result of a corporate-driven creative process that persistently homogenizes the studio's creative output in order to placate risk-averse shareholders. The article also seeks to expand the boundaries for continuing inquiry, specifically to assess collateral damage, such as the stifling of writers' creativity, the specter of self-censorship and the preponderance for formulaic screenplays. As a starting point, Knudsen (2005) writes:

> Perhaps the notion of a few still thinking they are arbiters of taste and quality from a central position […] is outdated and possibly counter productive. Hasn't the history of the arts and sciences shown us that almost all innovators emerged from outside centralised institutional frameworks and were often ignored, if not rejected, by the very people who claimed to be the arbiters of quality and taste?[i]

The dialectic concerns whether the decision-making process by 'committee' at today's studios is a more effective proposition. Without doubt great artistic personalities from Charlie Chaplin to Quentin Tarantino were all innovators who stepped out of the conventional framework and went on to redefine the moviemaking parameters of their

respective eras. Today, a consequence of the increasing complexity of the Hollywood studios' moviemaking process has been to inhibit the inflow of similarly independent talent, restricting the vital integration of fresh creative DNA into the system. In a Catch-22-type syllogistic sequence, a neophyte writer or director will rarely garner a studio's attention unless he or she makes a movie garnering considerable financial success. While some would argue that it is the responsibility of the independent sector to make films addressing the discourse within contemporary society more eloquently, the truth is that independent production companies have been increasingly unable to raise the marketing and advertising funds to facilitate theatrical releases (but can access television, cable, home video releases and the Internet to generate revenue). Without a viable marketing platform, a film cannot realize its financial potential and a young filmmaker's career will rarely progress.

For example, Biskind (2005) observes that Miramax[ii] throughout its 31-year history managed to drive countless films to box office success by implementing extremely aggressive and creative marketing techniques, consequently launching the careers of many film-makers/screenwriters including Matt Damon, Ben Affleck and Quentin Tarantino.

Miramax founders Harvey and Bob Weinstein allowed themselves to be driven by the corporate philosophy of the Walt Disney Studios, which according to Biskind made them abnegate their independent film roots in favour of big-ticket items including *The English Patient* (1996), *Scary Movie* (2000) and *The Aviator* (2004). Miramax's change of direction was a catalyst in the loss of interest in the indie market, with the result that budgets invested in these projects plummeted and many films did not get picked up for

distribution, thus short-circuiting the careers of some film-makers. Industry executive Howard Stringer[iii] says, 'To make complex human drama come alive on the screen and convey insights and intimacy in a darkened movie theater, is still an art form. It's not easy, and it requires great courage and carefulness on the part of everybody involved'. The question is whether the corporate mindset of studios allows such movies to be made and permits a catalyzing role for the screenwriter in the process.

The current status of the screenwriting career: analysing creativity

Do writers and executives speak the same language? As acknowledged by Knudsen, many studios today rely on the prescriptions of so-called script 'gurus' like Robert McKee, Linda Seger and Syd Field to give executives, who often have limited or no literary background, an insight into what they presume will impress at the box office. The result is a perpetuating framework of rules established by the studios to which writers must adhere.

McKee's international weekend seminars have become networking conventions for studio executives, writers, producers and actors. Though Seger makes the case that her texts should be seen as challenging the writer by asking specific questions of the work and not as intended to create a writing-by-numbers template, these 'how-to' texts in untrained hands have become detrimental to the development of a writer's voice. Those who diverge from these rules risk being ignored, shunned and penalized.

Writers feel forced to read the same screenwriting books in order to make

themselves understood by the executives and accordingly adapt their scripts in order to sell them. Yet none of these script gurus has ever written a movie screenplay that has been produced. Instead, they have amassed their knowledge from secondary sources, effectively undermining the validity of their observations. This heuristic approach can needlessly impede the creative process by engendering what can be perceived as 'the paralysis of over-analysis', leading many writers to attempt writing the ever-elusive 'perfect' page rather than allowing unique stories to develop organically.

For writers, the effect can be blunt if not paralyzing, as in the example of David Weinstein, co-writer of *Big Trouble in Little China* (1986). After having sold the script to Twentieth Century Fox, the studio and director John Carpenter asked Weinstein et al. to rewrite the script from a Western into a martial arts story. To avoid being replaced by other writers, they made the requested changes. The movie was successful,[iv] though one cannot assess how successful the original script would have been had it been produced. According to his management company,[v] Weinstein pitched his next project – a story about a homeless baseball team – to several studio executives who advised him to execute the script according to guidelines clearly derived from McKee, Seger et al. Bedeviled by concerns about pleasing the executives, Weinstein fell prey to the 'paralysis of analysis', and spent the next few years trying to write his script, the first ten pages taking him more than a year. Since then, he has not had a screenplay produced.

Andrew Niccol sold his script *The Truman Show* (1998) to Scott Rudin at Paramount Studios, who described it as one of the most camera-ready scripts he had ever acquired. The initial story was a dark, existentialist piece in the vein of the author's other work: *Gattaca* (1997). It was re-written sixteen times for Rudin and director Peter Weir

by Niccol (who avoided being replaced) and was turned into a larger-than-life vehicle for actor Jim Carrey. The result did garner Niccol an Academy nomination and the movie became a blockbuster, but it raised questions about the writer's role in the process. Is it possible to identify who is responsible for a movie when the studios have for decades been in the habit of assigning several writers to a project, many of them remaining un-credited? With commercially successful movies such as *Pretty Woman* (1990), rumoured to have employed at least thirteen screenwriters, who is the penultimate creative force behind such a project?

In analysing the obstacles that slow, if not stifle, a screenwriter's potential momentum for creativity, many valid questions connected to the process arise: Who takes credit for an actor ad-libbing on the set? An editor re-cutting a scene? A producer re-editing a movie if dissatisfied with the project? Can even a writer/director/producer take full credit for a movie? Is the notion of *auteur* a valid concept?

Critic and director Francois Truffaut did engender a significantly influential auteur theory in 1954, devised to identify directors as the alpha and omega of film-making. Yet no theory of equal weight has ever been devised to highlight the role of writers.

Before corporatization: the 1970s as a transitional period

In some respects, the raw emotional impact of live television news video covering the John F. Kennedy assassination and the shooting of Lee Harvey Oswald motivated film-

makers to frame their work in gritty, hard-nosed realism. The rise of the New Left and the counterculture during the restless late 1960s nourished a sceptical, inquisitive perspective that seeped into unprecedentedly open studios that found themselves rudderless after the demise of the old system, which had been run by charismatic moguls such as Darryl Zanuck, Spyros Skouras and Jack Warner.[vi] Seeking to study films within the context of the historico-political and cultural trends that shape them, Peter Lev employs Mikhail Bakhtin's dialogism to create an analytical framework permitting him to observe that mainstream films had become less defined than during the studio era due to the diverse group of film-makers and the absence of a homogeneous Production Code. Though Thomson maintains that *Bonnie and Clyde* (1967) and *Easy Rider* (1969) rebelled against traditional confines of societal mores and set a trend, Lev sees them as significant anomalies from other mainstream releases of that period. Bearing in mind that the right had also begun to challenge the societal status quo through such movies as *Dirty Harry* (1971), Lev likely underestimated or overgeneralized the socio-cultural effects of these 'anomalous' movies. Both sides of the political fence had begun to see the potential of movies as a valid forum for challenging societal status quo and in creating culturally defining and relevant narratives. Audiences responded to these movies not only in appreciation of their aesthetic quality, but also because they felt stimulated and challenged by the direction of the cinematic narrative.

In the 1970s, Francis Ford Coppola, George Lucas, Brian de Palma, Martin Scorsese, William Friedkin and Steven Spielberg made critically acclaimed movies that were also commercially successful. A Los Angeles journalist (2001: Online)[vii] cogently summarized the industry's evolution:

[In] the 1970s and early 1980s, there was someone who ran the film

division, and that was the boss. Then there were a couple of other layers

below that. Now, the layers just get thicker and thicker and thicker, and

there are just so many people that have to say yes to something, and so

many people that you have to please, that it becomes almost impossible to

do anything.

Trust between the creative minds and studio decision-makers clearly characterized the

partnerships of the period. Movies cost less, risk-taking had a smaller downside and

executives were less insecure about their taste and instincts – echoing Staiger's (1994: 3)

definitive observation about '[the] creative process of producing culturally significant

narratives within the conditions of high finance'. Long-time studio executive Fisher[viii]

(2001: Online) describes the evolution in the moviemaking process:

In the 1970s, my first job was as a reader for United Artists, and five guys

ran that out of New York. […] Those guys decided what movies to make

and they made them because they liked them. Period. They bet on talent.

And from that point of view came *Rocky* (1976), *Annie Hall* (1977),

Cuckoo's Nest (1975) – it was one good movie after another.

The corporatization of the studios became an attempt to control the ultimate monetary

success of the studios' end product: the movie. The cinephiles whose tastes dictated the

making of a body of Academy Award-winning and commercially successful movies were

eventually replaced by a vast cadre of executives with backgrounds steeped more in the

disciplines of finance, law and marketing than in the cultural arts. *Jaws* (1975), the first

blockbuster to benefit from freshly deployed aggressive marketing techniques, forever changed the ways movies were made in Hollywood. With corporate America's newfound interest in the untapped potential of studios, carpetbagger graduates from business schools found fertile ground to test their new models of profitability. Fisher (2001: Online) recalls the shifts in roles and perspectives: 'I think that many regular corporate businessmen think, "Just apply a regular business logic to this crazy business and it'll give us a high return. It'll be fun. It'll be diverting, and it will give us content for our other business"'. This late capitalistic division of labour seems to have transcended traditional industry role boundaries permitting executives to make decisions in the creative arena, for which they are considered to have little or no expertise.

Behind the curtain in Oz

The role of script readers

Movie studios consider submissions of scripts (and novels, plays, short stories and articles) only from agents and producers, and rarely from un-agented authors. Instead, agents and managers are considered as arbiters of quality and as legal firewalls to protect the studios. Typically an agent will pitch a script to a studio executive, who might request to see it. Virtually all accepted scripts are sent to the story department, where the story editor will assign them to a studio reader. Despite their obvious qualifications and experience, it is a major flaw in the studio system that readers rarely progress through to its executive levels.

The reader usually takes about two hours to produce a script report called

'coverage', which attempts to determine whether a movie that will generate substantial box office revenue can be produced from the material. Coverage reports comprise three elements: the top sheet summarizing the project's details, the synopsis containing a condensed description of the screenplay, and the comment page in which the reader gives his or her detailed opinion of the script. The process effectively reduces a screenplay of an average length of 120 pages to a half page of synopsis and another half page of comments. These comments will cover the concept, characters, relationships, jeopardy, dialogue, structure and commerciality.

Because of the idiosyncratic nature of the creative writing process, no methodology to assess a script's literary merit could ever be conceivably valid and fully reliable for empirical purposes. What turn out to be highly successful scripts and books are constantly rejected. For example, the reader's report from MGM rejecting *Jurassic Park* has become a classic (Ross 2007: 52). However, as the frontline in a fallible system, this is as good a quality control system as is extant.

The role of studio executives

The coverage is first sent to the person who requested it (e.g. a director of creative affairs)[ix] who has the authority to recommend it to higher-level executives such as the vice-president of creative affairs. So between the reader and the eventual decision-makers, who can greenlight the acquisition of the script, eight or more executives may be involved in the process, few of whom will read the script in its entirety. Peter Saphier (2010: e-mail correspondence: 2 March), a former Universal Pictures senior vice president and executive-producer of *Scarface* (1983), recalls the chain of command:

'Based on my experience, if a script reaches the executive meeting for a decision, the chances are […] that one or more execs will read it'.

However, executive-level consensus on a script is rare, and thus few projects submitted in this way will ever be realized. The evidence would suggest that this spotty record is much less a function of script quality than it is of the senior-level executive's lack of ability to identify strong projects and their lack of power to get things done, as well as their unwillingness to fight for projects fearing that one bad decision would lead them to be fired.

A studio could have as many as 200 projects in development at a given time. Tom Craig (2010: e-mail correspondence: 2 March), a former Universal Studios senior executive, said scripts submitted with attached top talent – such as a star actor or director – bolstered the chances for a project to be made:

> 'Much of the reason a studio develops so many projects is because they want to
> be in business with talent just in case […] to control projects is to control the
> town, so they buy up ideas hoping to attract talent'.

The consensus seems to indicate that the chances of a script without any attachments, however good the reader's report, are extremely limited. Inversely, if the studio acquires a script 'to be in business with' specific talent, the importance of the script is diminished, possibly a key reason behind the many box office failures. Eberts and Ilott (1990: 465), former head of Goldcrest Films (which had a production deal with Warner Bros.) indicates that the process creates staggering costs:

In my opinion, the development strategy […] was wrong headed: they (Goldcrest) were spending far too much time, money and manpower looking at hundreds of ideas which didn't have the remotest chance of getting made because they did not have major film-makers attached to them'.

Eberts suggests that the traditional way of submitting scripts for reader coverage, in the hope that the studio will package, is inefficient and not cost effective. In so doing he sidesteps the script qualitative issue and makes the case, along with Craig, that the lead actors and director are more important in getting a movie made.

The making of a movie

Five studios exist as part of larger conglomerates – Twentieth Century Fox (owned by News Corporation), Paramount (Viacom), Universal (General Electric/NBC Universal), Warner Bros. (Time Warner) and Columbia (Sony) – as well as Disney Studios (Walt Disney Company), arguably a self-conglomeratized entity by virtue of its acquisition of ABC, ESPN, Marvel, etc. Many studios have been bought and sold several times since 1965, with several multinational corporations (e.g., Coca-Cola, Transamerica, Vivendi, Matsushita, Seagram) incurring colossal losses trying to re-invent production modes according to a post-Fordist division of labour. According to Saphier, 'packaging' has become the 'great equalizer', in that a script's merit will be acknowledged only with the expressed support of a director, star or financing partner.

This suggests the studios are more concerned about what sells the movie to an audience, which is usually the movie star. This then would compromise the role played

by the script-evaluating protocol the studios have in place and would support Eberts'
contention that studios should shutter script development departments and instead
concentrate solely on fully packaged projects submitted by various producers. Peter Bart
(2001: Online)[x] says the emphasis is on risk-averse projects and on business logistics,
marketing and product placement involving 30 or more people:

> There's one group there to discuss the marketing tie-ins. How much will
> McDonald's or Burger King put up? There's somebody else there to discuss
> merchandising by toy companies. Someone to discuss what foreign co-financiers
> might be willing to put up. So everyone is discussing the business aspects of this
> film. And it's sometimes unusual for someone actually to circle back and talk
> about the script, the cast, the package – whether the whole damn thing makes any
> sense to begin with.

Originality was sacrificed because corporate synergy worked too effectively,
especially if a project also had potential for a television series, sequels, home video
releases, merchandise, and movie-related books and video games (Natale 2001: Online).
Natale, an industry insider, explains:

> Everybody has to be in agreement on how it has to work, so they all have
> input. If the video game guy says: 'We need a little bit more of this,
> because it'll make it more exciting', then the script gets changed from the
> start to make it happen. It can work very effectively allowing everybody to
> make big money off the deal. Unfortunately, most of the time what you
> see is not worth going to see.

And there lies the paradox in the formula where the project's success is predicated on its appeal to millions of viewers and where the greenlighting process is driven by value judgements based not on aesthetics but on marketability.

Few would argue that most blockbuster movies succeed essentially because of the quality of the writing; they attract audiences by the strength of the visuals – *Independence Day* (1996), *Titanic* (1997) and *Avatar* (2009). As Avatar became the biggest-grossing movie in history, Queenan (2010: Online) laments the phenomenon:

> Contemporary American films are driven by technology. There is not a single film that does not rely heavily on computer graphics. A case can certainly be made that the main reason these films have done well is computer graphics, because, no matter how insipid the story, the movies always look great.

Queenan does acknowledge that certain films such as the multi-award winning *Crazy Heart* (2009) and *The Hurt Locker* (2008) rose to the top without any substantial special effects. These anomalies are explainable because a quality script will attract bankable talent worth several times the fees they actually agree to work for, thereby putting the film into profit from the onset. Although it is statistically impossible to determine how the members of the Academy of Motion Pictures (i.e., Oscars) will vote, this paradigm does paradoxically suggest that a film like *The Hurt Locker* can rise to the top and win a Best Picture Academy Award, yet still fail to generate the revenues the studio machine needs to make a more challenging film that is also economically viable. Hence, despite

the participation of Hollywood heavyweight director Kathryn Bigelow, *The Hurt Locker* remained an independent project, neither financed nor distributed by a studio.

Likely, the desire for blockbusters will never be fully sated, because it is part of the extant business model that it single-handedly helps to sustain. Mechanic (2001: Online)[xi] explains why people are afraid of the losses and instead always first look for the hits:

> [You] start cutting off edges on movies. You start saying, 'It has to have a happy ending.' Well, the story is going in a direction where the correct ending may not be literally a happy ending. And the audiences look at it and go, 'Well, it's stupid. How could that happen at the end of this picture?' And around the world [they] say, 'It's too American.' And it means, in a way, that you've sold out, and there's no creative truth to the product.

As Mechanic explains, studios try to find endings that will appeal to the greatest possible denominators, but the problem with these manufactured endings is that an audience, raised on an extensive diet of movie and television, has such finely tuned instincts that they see right through them.

The role of talent agencies and stars

Another important catalyst in this process is the expansion of the all-powerful talent agencies (e.g., Creative Artists Agency (CAA), International Creative Management (ICM) and William Morris Endeavor) that will select a client's script and attach one of

their directors as well as various star clients and present it to the studio as a 'ready-to-shoot' package. This limits the studio's choices. If the executives need a movie with a specific star to release in the second quarter of the financial year and the star is committed to that package (i.e., not available for anything else during that time period), then they have no choice but to acquire the package and make it under the predetermined conditions. The agencies will insist on 'pay or play' contracts for key actors, meaning that the actor will still be paid if the movie is not made within a specific timeframe. If the producers see problems with the screenplay they can request rewrites, but these might not be resolved in time for production. Dozens of movies go into production each year with such acute script problems that one or more screenwriters are on set re-writing scenes on a daily basis. Admittedly, this has been a feature of the industry since its inception, including accepted classics such as *Casablanca* (1942) and *Lawrence of Arabia* (1962). While conventional wisdom suggests it is the star and not the screenwriter who the audiences come to see, the reality is that no matter how popular the star, if the script is flawed, consumers will react adversely (e.g. Geena Davis, *Cutthroat Island* (1995); Jim Carrey, *The Cable Guy* (1996); Will Ferrell, *Land of the Lost* (2009).

Since the demise of the Golden Age of Hollywood (1954) the star power of certain actors and, to a lesser degree, directors has grown to the extent that they became the catalysts for whom scripts were written. However, this approach may now be changing. Gritten (2010: Online) argues, while acknowledging that fewer movies rely on name stars for financial success, that 'Movie stars are expensive to hire and the changed face of Hollywood studio ownership makes that fact insupportable. Studios today are mere cogs in large conglomerates, run by people who tend to care little for films'.

Indeed in 2009, among the fifteen highest-grossing movies, only three were cast-driven (Box Office Mojo: Online: 2010) while the others were effects or animation based. In box office terms, $3.725 billion was earned by the latter and $464 million by the former. Gritten cites even box office champion *Avatar*: '*Avatar* (2009) succeeded despite having two virtually unknown actors in the lead roles. These days, actors who less than a decade ago were receiving $15–$20 million upfront are now taking a modest advance and a share of 'back end' profits – if any'. Gritten concludes that 'movie stars are in decline because, for better or worse, movies simply no longer need them'. The same conclusion can be applied to screenwriters. As the market for a more conventional character-driven market dries up, writers are being forced to adapt.

The role of special effects

Another key element in the paradigm shift of power in Hollywood has been the increasing influence of special effects and animation companies such as George Lucas' Industrial Light and Magic (ILM) and Pixar. Dennis (2009: Online) argues that these have become as important in Hollywood as major producers and directors, arguably more so than even A-list actors: 'The level of complexity involved here is closer to an engineering project than a standard artistic one, but it's wasted if the artistic side falls flat'.

Dennis sees limitations to the success of such projects if other elements, namely the script, are inadequate in quality. Bill Reeves, a technical director at Pixar, explains, 'If you have a good story and good characters, you can use CGI to create a movie that does $200 million at the box office'. In other words, the success of technologically

advanced effects hinges on basic time-honoured standards of a quality script with clear storylines and well-developed characters.

The problem is that writing these types of movies requires an entirely new skill set and a detailed understanding of the strengths and limitations of the technology. Now, industry leaders such as George Lucas and James Cameron write their own scripts or, in the case of Pixar, develop them in-house.

Avatar succeeded due to several skillfully implemented factors, one of them being its use of 3D special effects on an unprecedented scale. This created huge word-of-mouth support boosted by the conviction that this was a movie that simply had to be seen on a big screen. The screenplay, though widely considered as simplistic, nevertheless fit the equation for a successful action movie. Cameron's story additionally tapped into familiar themes and archetypes while keeping scientific terminology to a minimum, further increasing its accessibility.

Though the exact budget of *Titanic* (1997) has never been revealed, according to The Internet Movie Database (IMDB) and Box Office Mojo, it is estimated to have been $200 million. The movie earned more than $600 million at the United States box office. The budget for *Avatar* reached $500 million, thanks to new generations of special effects. The movie, at time of publication, has grossed more than $2.3 billion at the box office. Despite this, no other studios have sought to emulate the formula, suggesting that the sheer size of the budget and the implications of box failure have put similar projects outside their comfort zone. The question becomes what would be the budgetary ceiling threshold for a major movie with late-generation special effects. The professional

screenwriter today is at a crossroads. If the vast majority of successful movies are effects or animation based – both of which require specific technical skills and are often written by the directors – where does this leave the average screenwriter? Furthermore, how will this affect the legions of creative executives when the majority of these scripts will never go near that food chain but circumvent it and go straight to studio heads for a decision?

The role of profit-and-loss decision-makers

Former Columbia studio head Steele (1987–1989) brought many business professionals into the creative affairs process, such as Browning (1995), who developed a method for estimating a script's potential profitability through a series of common factors. For example, if 35 per cent of the story seemed similar to a hit like *Ghostbusters* (1984), then he would calculate its projected income to be 35 per cent of $500 million, or $175 million. If a further 25 per cent resembled *Jaws* (1975), then 25 per cent of $470 million would equal $117 million. So before any additional comparisons, the script in question was expected to make over $292 million.

Not even Browning considered these calculations to be realistic, as a similarity of plot, setting, tone, dialogue or characters could not replicate the 'magic' of the successful original model. More often, the resulting movie was relegated to the ranks of uninspired, hackneyed clones that flood the cinemas in the wake of a blockbuster, evidenced by the number of third-rate westerns released after the success of *Dances with Wolves* (1990) and science-fiction movies in the wake of *Independence Day* (1996). What Browning did highlight, though, was the far greater reliability of sequels based on the same characters – for instance, the *Batman* (1989), *Friday the 13th* (1989) and *Spiderman* (2002) franchises.

However, the most recent performance of such sequels at the box office raises questions even about this business model. Brandon Gray, president of Box Office Mojo, pins the blame squarely on 'terrible moviemaking':

> The current doldrums are attributable to the films themselves – and not just the stories which are being told, but the marketing campaigns for them, too. These campaigns seem to amount to: 'Hey, it's Shrek again, come see it; Hey, Iron Man's back, come see him.' People go to the movies to be told good stories, and this May (2010), Hollywood came offering only a retread.

The role of marketing

For studio executives keenly attuned to marketing, one of the most influential entities attempting to create synergy between the studios and various other industries has been Nielsen's National Research Group (NRG) based in Los Angeles. For instance, NRG staff members can advise a client on the demographics a specific actor will appeal to as well as their potential disposable income, thus calculating a box office estimate of a fully packaged movie project before it is made.

NRG's metrics have their Achilles heel. For more than 20 years, hundreds of movies have been reshaped as a result of NRG's research. Dozens have been re-shot, many with new endings. Today, as many as nine out of ten movies released by the Hollywood studios bear NRG's fingerprints.

Some critics of NRG do not couch their judgements in euphemisms. Writer–director John Milius (2001: Online), who has had several conflicts with NRG, says, 'Joe

Farrell[xii] has ruined more films than anybody in Hollywood. You think anything great ever came out of asking twenty idiots [from a focus group] to judge a movie?' On the other hand, Bob Daly the former head of Warner Bros. disagrees: 'In general, I think research screenings are extremely valuable, filmmakers are so close to the material […] that they sometimes lose their objectivity. I'd say that 50 percent of the movies we did at Warner Bros. over the past 20 years were improved by the process'.

Lerner acknowledges that NRG critics take great delight in exceptions to the rule. Stories abound about mainstream movies that tested well yet failed at the box office including – *Dad* (1989), *October Sky* (1999), *Opportunity Knocks* (1990) and *Simon Birch* (1998). Then there are the offbeat films such as *The Blair Witch Project* (1999), *Twelve Monkeys* (1995), Se7en (1995), *Cape Fear* (1991) and black comedy *War of the Roses* (1989) that tested poorly but performed well at the box office. This evidence suggests that NRG's tools are better suited to mainstream fare than to quirky original movies. *Good Fellas* (1990) only succeeded after receiving glowing critical reviews, and the same went for *Pulp Fiction* (1994).

Others such as Cass Business School's Thorsten Hennig-Thurau (2007: Online) have found credibility in NRG's methodology, agreeing that researchers can calculate the potential revenue of a movie based on the attached stars and their track record. 'It is the industry of dreams, an industry of illusions, and lots of people go bust. The idea here is to put some more analytical thinking into the process'.

Arthur de Vany focuses his analysis on the unpredictable and often chaotic dynamic behaviour of motion picture audiences. His work suggests that audience feedback may not be the most reliable factor in greenlighting scripts due to the

unpredictability of the respondents.

Along with marketing and market research, another catalyst that exerts pressure on the creative direction of the studios is found in the various corporate entities keen on promoting a variety of products ranging from toys to burgers, starting in earnest with *Star Wars* (1977). Klein (2009: Online), a Burger King executive for global marketing, strategy and innovation, asserts that 'We see ourselves as a brand that likes to experiment in creating pop culture'. Researchers are beginning to examine how the financial stakes behind product placement directly affect the type of movies made. This evidence does suggest that scripts and movies are altered in order to accommodate the sponsors' wishes, creating a conflict with the writer and director and raising all sorts of qualitative red flags.

Conclusion

In an age of huge media conglomerates battling to secure the highest possible return for their volatile shareholders, studios are looking for an effective way of protecting their investment. To them the object of the exercise is profit maximization. To the cinema audience, it is the desire for quality entertainment. Are the two compatible or destined to be permanently at odds?

Levin (2001: Online), the former president of worldwide theatrical marketing for Disney, succinctly summarizes the creative and business imbalance: 'It becomes pretty impossible. I don't think people know what they want. I think that's why we have creative people. If the business side is coming too strongly, if everything becomes financial projections and passion doesn't have a place in that environment, then I think we're going

to see fewer and fewer great movies coming out of the big studios'.

Despite Levin's assertions, if one applies the corporate filters that became standard in the early 1980s (e.g., screenwriting formulas, development and marketing executives, NRG stats, overseas markets prerequisites) would these movies be green-lighted today? *The Graduate* (1967), *Midnight Cowboy* (1969), *Harold and Maude* (1971), *The Godfather* (1972), *Serpico* (1973), *One Flew over the Cuckoo's Nest* (1975), *Taxi Driver* (1976), *The Deer Hunter* (1978) and *Apocalypse Now* (1979). In contrast to the industry's near-total aversion to risk, Bart explains, 'Sometimes the gambles were absolutely extraordinary, and many of those wonderful movies of the early 1970s and the late 1960s emerged from those gambles. You'd never see those movies made today'.

Each December, Franklin Leonard of the William Morris agency in Los Angeles releases his 'Black List', a rundown of the best-unproduced screenplays currently circulating in Hollywood. A composite of opinions representing more than 300 industry insiders, the report showcases original and accomplished work that might not otherwise have a realistic chance of production. Scripts showcased have included *Juno* (2007), *Lars and the Real Girl* (2007), *The Road* (2009) and *This Side of the Truth* (later renamed *The Invention of Lying*, 2009). Against all odds, there are still excellent movies being made but the majority of those – even Sundance and Cannes film festival winners – have a hard time securing major theatrical releases.

It is the fiduciary duty of today's Hollywood studios to provide the greatest return possible to their shareholders who may – or more likely, may not – be motivated by visionary movies when making the critical decision to bankroll movies on the secured collateral of pension funds and other monies. On the other hand, where would movies and

their role in shaping and reflecting our cultural identity be without the above list of movies? One could conclude that it is not about rights or wrongs and that what it really is about concerns an industry system that is, at present, fundamentally at odds with itself.

Strip away the special effects, marketing, test-screenings and audience research, and the baseline success or failure of a movie still depends on the writer's ability to create an original and fascinating storyline, peopled by memorable characters. And that so many of the new devices intended to facilitate the process – development executives, screenwriting gurus, focus groups – not only impede the synergy among writer, director and actor, but add enormously to the costs of production. Huge disparities exist within the decision-making process in the entertainment industry. Executives make decisions with a limited understanding of the creative process that have an impact not just on the projects, but also on the studios' shareholders' dividends and their profits.

Indeed, the generic business models upon which studios rely are being threatened by an independent amateur media culture, bolstered by content-sharing digital technologies that have revolutionized the ways consumers use these tools, especially to define their identities absent of neat demographic categorizations and hegemonic impulses. This area is one that must be studied extensively by scholars and by industry thinkers. Postmodern audiences also have become more acutely attuned to the coercive and subversive effects of media content. As audiences themselves become more independently empowered to master the challenges and possibilities of new technologies and to finesse time-tested methods, studio executives will be pressured to revise their current business models and engage creative voices more directly in their decision-making processes.

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Alexander G. Ross studied at the universities of Heidelberg, Cambridge and the ESCP in Paris. He started his filmmaking career by working for Ismail Merchant on Maurice, (1987), (with Hugh Grant). Trained in the M.G.M studio story department, he worked as a story analyst for Sally Field and Dick Clark. Subsequently he became an agent at the Gray/Goodman agency, representing Quentin Tarantino, Christopher De Vore: Elephant Man (1980) &

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(Academy Nominated for The Truman Show (1998)). He sold the company to

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[i] According to Pierre Bourdieu (1984: 231), taste is a classification system that governs the relationship with objectified capital. He argues that change in the system of goods induces a change in tastes, and that a change in tastes will lead to a transformation in the field of production – in this case, movies.

[ii] Miramax, founded in New York (1979) as a distribution company, segued into

production. It was considered for a long time as the champion of independent film-

makers.

[iii] Stringer was named chairman and CEO of Sony Corporation of America (including Columbia and Tri-Star studios) in 1998.

[iv] The definition of 'success' used for the purposes of this article is the studio definition, which considers it to be foremost a question of box office revenue. (AQ: Please confirm the change made to the endnote for clarity.)

[v] Fortis Entertainment of Beverly Hills.

[vi] Darryl Zanuck and Spyros Skouras former studio heads. Jack Warner, co-founder of Warner Bros. studio.

[vii] Richard Natale is a freelance economic reporter who covers the film industry for *The Los Angeles Times*.

[viii] Lucy Fisher's company, Red Wagon Productions, oversaw the Academy Award-winning film *Gladiator*. Fisher began her career in the late 1970s as a story editor for Samuel Goldwyn Jr. Productions. She has held various senior executive positions at MGM, Twentieth Century Fox, Warner Bros. and Sony, where she was vice chairman of Columbia TriStar Motion Picture Group.

[ix] The typical studio hierarchy starts with creative executives to director of creative affairs, vice-president of creative affairs, senior vice-president of creative affairs to executive senior vice-president of creative affairs. Some prefer to call them development executives, which is a purely semantic difference.

[x] Peter Bart, a long-time film executive, is now editor-in-chief of *Variety*, the entertainment industry's venerable trade magazine.

[xi] Mechanic is now an independent producer. He was chairman and CEO of Twentieth Century Fox Filmed Entertainment from 1994 to 2000.

xii Farrell co-founded NRG in 1978.