Marketing the Movies

Alan Fisher

This article focuses on the evolution of the roles which marketing has played in the film industry from film's origins to the present day. It focuses on how technological innovations and shifts in public taste have upgraded marketing considerations to its current prominence within the film world. Current filmmaking is depicted as an insecure, sometimes desperate business where marketing considerations predominate over all aspects of film production including artistic considerations.

Keywords: marketing redefinition, technological innovation, media competition, blockbusters, loss of nerve

Marketing has always played a key role in the movie industry. Yet since the late 1970's that importance has mushroomed to the point that how a movie is marketed frequently overshadows the quality of the film itself. Not only do marketing considerations help determine financing, but they are expected to create in an audience a burning desire to see the movie more than once.

Marketing today surpasses in importance the actual process of filmmaking itself. They can determine whether a film is actually made or whether the film will receive sufficient financial backing to become a hit.

The radical upgrading of marketing began in the late 1970's with the appearance of two blockbusters titled Jaws and Star Wars. It has been argued by some that these changes were more harmful than beneficial, yet they have become a benchmark of filmmaking in Hollywood today.

I. Changes In Marketing

Marketing once meant primarily selling and advertising. Today's definition has expanded to including satisfying customer needs, developing superior products, promoting
products efficiently and creating value-laden exchanges with customers\(^1\) .

Today the holdings of movie-related industries can be so varied that they cannot be controlled by the parent studio or a single affiliate. Scanning the holdings of Walt Disney related film holdings shows this clearly.

Disney owned the following...

1 – ABC, a major TV and radio station
2 – 10 company owned television stations
3 – 72 radio stations
4 – 13 international broadcast channels
5 – 19 cable stations including the Disney Channel and the History Channel
6 – 4 Television Production Companies
7 – 8 Movie Production Companies
8 – A distribution company
9 – Walt Disney Production Company/ Film Studios Touchstone/Hollywood Miramax/ Dimension/BuenaVista
10 – 5 Publishing Groups
11 – 5 music labels
12 – 6 Internet Groups
13 – Disney Interactive
14 – Disney Consumer Products
15 – 550 Disney Retail Stores
16 – Anaheim Hockey Teams
17 – Disney Cruise Lines

Clearly overall strategy and planning is now difficult although the Disney Cooperation tries to insure cooperation between its super units.

Meanwhile, control of marketing in the movies has become more decentralized and less in line with traditional marketing practices.

\(\text{II. Marketing and the Early American Cinema}\)

So much excitement surrounded the origins of the motion pictures that only the simplest marketing techniques such as handouts and newspaper reviews were commonly used.
Seventeenth century European and American polite society had been fascinated with optical toys like the Camera Obscura which created the illusion of movement. Then in the 1840’s still photography appeared.²

The debut of movies in the 1890’s created a sensation. Developed by Thomas Edison and others, the first movies show a string of simple actions, each recorded on a single loop of film which was then placed in a box. The viewer then could watch the action through an aperture which he activated by turning a handle which was attached to the box. Edison called his machine the Kinetoscope and for another penny permitted his customers a second look.

These Kinetoscopes were placed in bars and restaurants much like the modern jukebox and were most commonly found in amusement parks. They lacked narrative content or artistic merit. Yet people flocked to see them. Their contents were commonly only be printed on a billfold which was then attached to the Kinetoscope, “See a man running. Watch a woman jump”, etc. they read.³

The next step in the development of film came with the creation of the film projector in 1895 in Paris by the Lumiere Brothers. The Lumieres publicized the invention among intellectuals. They exhibited a program of short scenes from daily life beginning with a scene of workers leaving the Lumiere factory after work. Again there was no narrative or fantasy but films with gags and travelogues were introduced.

Ironically, none of the founding fathers showed any appreciation of film’s potential.

To Edison film was simply a cash cow. He thought so little of film he failed to spend the few hundred extra dollars needed to purchase the international copyrights.

The Lumiere Brothers abandoned filmmaking after ten years, although they maintained their patents.

In 1935 Auguste Lumiere was interviewed by a Parisian newspaper on the thirtieth anniversary of the invention of the film. He said he never went to the cinema and disapproved of the direction the cinema was taking.⁴

It is interesting to speculate what direction film might have taken had its founders taken a greater interest in its development.

In the next few years innovation took place primarily in Europe rather than America, where it was blocked by Edison’s tight control. However, in France the period saw the development of the narrative cinema particularly in the science fiction films of George Melies which also served to popularize special effects.
In 1898 filmmaking began to differentiate, gradually creating new audiences.

Prior to that potential film audiences could be lumped into two groups: those mostly lower class who were regular filmgoers and the educated and well-to-do who rejected film as worthless.

The first major innovations occurred in England where director G. S. Smith began to experiment with the physical properties of film: rewinding, cutting and fast-forwarding as a means of enhancing a story.

The next major event occurred in 1905 when Edwin S. Porter introduced the shot as the organizing dramatic visual principle of *The Great Train Robbery*. The shot allowed the director to begin the scene at any point, thereby making the film dynamic and exciting.

The public responded to the film with great enthusiasm, yet the film also benefited from its huge advertising campaign, the largest to date.

For the next few years, *The Great Train Robbery* was copied repeatedly, although never with comparable success. Four years later, Porter was to make one more film of distinction, the surrealistic *Dreams of A Rarebit Friend* which was only moderately successful.

Creating interest in film narratives led inevitably to an interest in longer films. In the 1890’s films were too short to tell a story. But 1908 director and stage actor D. W. Griffith began to demand the right from his studio to make films that were longer than one reel, despite opposition from Edison and the large studio owners.

The resistance in the United States to the one-reeler was fierce. Europe served as a model for younger directors.

At Essenay Studio, Griffith still rebelling refused to shoot more one reelers. He left and made *Judith of Bethulia*. Word of Griffith’s achievement were spread across the country, and within the next ten years the one reeler had largely disappeared.

Griffith was not the sole cause for the defeat of the one-reeler. In 1911 Jesse Lasky, head of Famous Players imported Sarah Bernhardt’s *Queen Elizabeth*, which was already famous in Europe. Although it lasted over two hours and was without subtitles, it was a huge success.

Griffith would go on in 1914 and 1915 to make two films with a running time of over four hours each. Both proved seminal movies in America. *Birth of A Nation*, which told the story of the Civil War from the Southern viewpoint and its aftermath, contained a final hour of deplorable racism, and *Intolerance* failed because it was too high-level for its time. But both films served both as summaries of the achievement of the early years of filmmakers and
of harbingers of its future.

III. Reshaping The Movie Industry

With the coming of the sound picture in the late 20’s much of what had been normal practice had to be discarded and new techniques substituted in their place. Most commonly it fell to the marketing division to introduce and negotiate these changes with moviegoers.

Of all the occasions requiring intervention by marketing, the appearance of major technological change altering film exhibition have been the most dramatic. Of these nothing transformed film like the introduction of sound which began in the mid to late 1920’s.

Sound came at a time when audiences were growing tired of pantomime accompanied by orchestral music which constituted dramatic performance in the silent cinema. By 1926 movie receipts had dropped to an all-time low, speeding developmental research on the sound film.

The breakthrough came in 1927 with Al Jolson starring in The Jazz Singer, a mostly silent film containing a few spoken scenes and musical numbers including Jolson’s immortal ad-lib, “Hey, you ain’t seen nothing yet. The reaction of moviegoers was as electric that all studios had converted to the talkies by 1929.5

Following on the heels of sound was color. There had been limited use of color going back to the 1900’s in the form of sepia in which the entire screen would be saturated with a single color, usually brown or blue. This would usually occur in prestige pictures. However, more sophisticated color systems failed in the 1920’s and 1930’s until the introduction of a two-band Technicolor system in the 1930’s.

Technicolor become a part of the American film package, yet some studios held back because of its expense.

The introduction of sound had been inordinately expensive costing over $300,000 per studio accompanied by large scale loans from banks; yet the extra expense was justified because color was extremely popular with audiences.

Many of the marketing techniques that we now view as commonplace developed in the 1930’s.

The coming attraction, a short, heightened, sometimes impressionistic reedited slice of the film, became a mainstay of film marketing. Although they had been introduced prior to WWI, they now become essential to any marketing campaign. In time some people would
claim to enjoy the coming attraction more than the film. Different kinds of coming attractions were developed depending on how the picture was presented and how much information about the film was revealed to the audience. For example, the teaser only hinted at the movie’s content in a highly dramatic way.

Each movie studio developed a style of its own which was recognizable to the general moviegoing audience. MGM tended to promote American values. Paramount, on the other hand, had complicated European themes and sensibilities often accompanied by sexual innuendo. Warner Brothers was known for its realism and was responsible for the extremely popular gangster cycle. Universal was a minor studio which specialized in horror films and benefited by the wave of Jewish and leftish refuges fleeing Hitler in the 1920’s and the 1930’s. These filmmakers brought themes and experiences previously unknown to American filmmakers.

The marketing department was also responsible for the new field of radio advertisement for which it had sole responsibility for writing copy and negotiating contracts. Beginning in the late 1940’s this work gradually began to be transferred to television.

TV today, of course, is the single most important means of reaching a potential audience. Marketing departments must struggle to book the best spots and use the best press on TV to promote their films.

Marketing strategies also included the scheduling and management of private film exhibitions in which critics and celebrities were invited to see unreleased films in return for private critical commentary about the film. Later sneak previews would also be held at local theaters where they would be attended by ordinary people who were not informed of the name of the film in advance. These practices continued until the late 1960’s when turmoil within Hollywood raised doubts as to whose opinion should be considered expert.

Supervising studio related content in film magazines was another responsibility of marketing, although some of this work was done by private press agents. Prior to WWI this was restricted to glossy photos of studio stars. After the war the format expanded to include background stories on stars and films. But when the studio had a film in production or on theatrical exhibition, members of the marketing division would demand a say in how any copy related to the film would be used.

The marketing division would, of course, control its own budget and jockey for extra funds when it handled prestige projects.

Since 1937 financing studio Academy Award nominations has become an important part
of the marketing portfolio. Winning an Academy Award is profitable to a studio, bringing in an extra $2,000,000 to $3,000,000 in ticket sales. But more important is the prestige brought to the studio because one of its films has been singled out as excellent. Studios would often have spend $50,000 or more to promote a nominated film.

IV. Marketing Strategies Under Pressure

Sometimes a Hollywood marketing strategy is forced to change because of politics, social, technological pressures or competition. Both a surprise hit or failure could cause problems for a marketing division.

_Citizen Kane_ (1940), which ironically has frequently been chosen as the best film ever made, proved a major marketing nightmare. It was undeniably built around the true story of publishing giant William Randolph Hearst. An infuriated Hearst swore to block the distribution of the movie. Hearst’s enmity could not prevent the movie’s critical success, but he turned it into a financial debacle which did long term harm to director Orson Wells’ career.6

The real crisis did not occur until the late 1940’s with the passage of the 1947 Antitrust Laws and the arrival of television. The Antitrust Legislation forced the studios to sell off the huge number of studio-owned theaters which for decades had guaranteed huge profit. From now on the studios would have to bargain for prime theater locations.

The effect of television was devastating. By 1949 there were a million TV’s in use. In 1946 20% of every U. S. dollar spent on recreation went to the movies. By 1950 the figure had dropped to 12 per cent and by 1974, 4%.7

TV had created a threat the movies had never faced. It was a direct competitor for the American viewing audience that grew in proportion to the number of TVs sold.

V. Remaining Film Advantages

The movies still retained the size of its images and color. It would be ten years before TV began to develop color. Meanwhile, the studios began to experiment with processes that would enlarge and deepen the screen.

Cinerama, the first experiment with the altered screen consisted of three conjoined screens connected to each other by strips which left black lines. Each screen contained only
a third of the visual field projected by the Cinerama projector. It was marketed to compare its huge mass favorably to the tiny TV screen.

The early Cinerama films were travelogues and were popular with the public. Yet, Cinerama proved unsuitable for narrative storytelling. It did, however, bring people back into the theater for the first time since 1946.

A second system known to the public as 3D failed despite early successes. Using polaroid glasses it improved the visual field of depth, yet it never quite seemed real. It also produced unpleasant side effects like eyestrain and headaches. More damning the studios could find little use for 3D except for action sequences. Only two quality films were ever shot in 3D: George Sidney’s *Kiss Me Kate* and Alfred Hitchcock’s *Dial M for Murder*.

It was Cinemascope, the final process to be introduced in the early 1950’s which came to stay. Its large screen and in depth image revamped the look of the Hollywood film. Scenery could be blended into the foreground, and montage became obsolete. There was no need anymore to cut back and forth between two actors when both could fit on the same cinemascope screen. 8)

For the marketing department and its staff of advertising writers the cinemascope experience was quite different. They often focused on the pulp story. Therefore, a low budget Audie Murphey film could be promoted as being “an exciting tale of the American West.”

Cinemascope ushered in the age of the blockbuster. Blockbusters were used to describe any film with spectacular contents: Biblical epics with large crowd scenes and at least one miracle or films with action scenes like *Laurence of Arabia* or ones with exotic or foreign settings like *The Bridge Over the River Kwai* could all be characterized as Blockbusters. 9)

A special kind of film exhibition called road shows was created for these blockbusters. These films were shown once a day in the evenings and as matinees on Wednesday, Saturday and Sunday.

In order to further elevate these films the manager was not allowed to handle the receipts which were counted and deposited by two union men from the Theater Guild. Facilities for theaters slated for roadshows were routinely refurbished. It was up to the Marketing Division to ensure that the public understood the advantages of this system. 10)

As the 1960’s progressed, the traditional Hollywood continued to flounder. New distribution outlets appeared such as drive-in theaters and more opportunities for young people to work in film surfaced.
But it was not until 1975 and 1977 that two blockbusters *Jaws* and *Star Wars* changed Hollywood marketing forever.

**VI. Blockbusters**

With the collapse of the studio system, Hollywood began hunting for a sure fire model for success. In the 1970’s Brat Pack directors made some of the most exciting and personal films in history. However, the members of the brat pack were both erratic and inimitable. No matter how much you admired Martin Scorcese, it was difficult to copy his style. Also most of those directors were mavericks, politically or artistically.

Over the years many of them have fared well. Stephen Spielberg, part owner of Dreamwork Studies, is virtually a movie industry in himself. Spielberg not only produces and directs film but helps young people in the movie industry and promotes humanitarian projects like series of films on the Holocaust which he shot in the 1990’s.

Martin Scorcese, despite a series of dry films in the 1990’s, is perhaps America’s most respected director. Last year he won the Oscar for *The Departed*.

These men are able to stand up against studio interference, something they share only with the top stars.

Throughout the 1970’s new talent continued to pour out of the film classes. Financing in the 1980 was pell-mell. Studios would frequently rent a theater outside New York and exhibit a new film for a couple of days to judge its earning power. Films that failed to do well were returned to their owners and forced to renegotiate at a disadvantageous rate.

With the rise of the blockbuster, the air of uncertainty that had hung over Hollywood disappeared. Studio executives felt safe in following the model of *Jaws* and *Star Wars*. For a while it seemed to work. The teenage market which Blockbusters relied on showed no slackening.

Yet this reliable source of income began to run dry. Hollywood watched in horror as some blockbusters failed to make their investment back. Then in 1995 Arnold Schwarzenegger and his Columbia production team stood by as *The Last American Hero* sunk because of weaknesses in the script, in-fighting among the production crew and overconfidence.

Filmmakers have long been likened to gamblers. If this is true, Hollywood directors have clearly lost their nerve. As the blockbuster ceased to be a sure thing, they began to
search for other models.\textsuperscript{11}

\textit{Jaws} and \textit{Star Wars} combined gut wrenching action and off beat humor. The mechanical shark that sent audience pressing backwards into their seats was mostly unseen as it prowled the waters off Amity Beach picking off the careless.

\textit{Star Wars} eschewed naturalism and presented a unique version of space travel mixed with 20\textsuperscript{th} Century humor and Joseph Cambell's literary theorizing spooned generously from \textit{The Hero's Journey}. The second half of the film consisted of unbroken combat scenes mixed with a little mysticism.

Lucas scored a major victory. 20\textsuperscript{th} Century Fox thought so little of the film that they gave him the right to toys and merchandising free of charge. It was the last time a studio would make such a mistake.

Hollywood executives had found heaven, but the future was not to be as rosy.

\section*{VII. Copying Others' Film}

One solution was for Hollywood to copy other studios' hit films of all varieties. This includes foreign films and TV shows including last year's Academy Award winner \textit{The Departed} which was based on a trio of Hong Kong thrillers know collectively as \textit{Infernal Affairs}. Not surprisingly these films are often inferior to the originals.

A colossal loss of nerve is behind the empowerment of marketing departments in today's Hollywood. Members of the marketing team are the only ones at a studio with facts and figures at their fingertips. They can explain why films have succeeded or failed. Therefore, beginning in the 1980's they have been frequently consulted by studio filmmakers to gauge the odds on a new project.

It had been said in Hollywood “No one in Hollywood knows anything.”\textsuperscript{12}

The marketing staff at a Hollywood studio is a group apart. They are required to know information concerning all aspects of production. They supervise the initial advertising campaign. They are also in closest touch with the marketing partners, i.e. businesses or organizations which are helping to fund the movie.\textsuperscript{13}

The stakes are extremely high. A failed blockbuster can cost an executive his career. The dread of responsibility is so deep that the power to initiate and direct film campaigns is assigned to small groups of marketing executives.

Once a film has been targeted, the work begins with choosing the title. Sometimes the
search for an exciting title can end in a board room brawl while at the same time producing copy lines for the initial advertising campaign.

Marketing chiefs have to be ready for unexpected surprises. Sometimes films like *Almost Famous*, a story of a teenage reporter traveling with a rock and roll band, which seemed earmarked for success failed for no discernable reasons. Even sex is not a sure guarantee of a strong box office. A Stanley Kubrick film *Eyes Wide Shut* did poorly at the box office despite the presence of love scenes between Tom Crouse and his wife Nicole Kidman.

Studios also have to deal with real-life eruptions from its stars. Off screen scandals concerning stars sometimes can help production and sometimes haunt it. Richard Burton and Elizabeth Taylor’s highly publicized affair actually helped sell tickets for *Cleopatra*, while a Russell Crowe-Meg Ryan affair caused director Taylord Heckford to cut their sex scenes from the hostage movie *Proof of Life*.

All this activity takes place in a Hollywood whose horizons have shrunken from the heyday of the studio system. Paid admissions to the movies are down and are not recovering. Profits sometimes increase but primarily because ticket prices are high.

Yet despite all the uncertainty and insecurities that mark filmmaking today, Hollywood remains front and center in the psyche not only of filmmakers but of moviegoers in general. Some people may talk of wishing Hollywood would fail. Yet its failure would send a shock throughout the world.

Hollywood films still outearn foreign films by a huge percentage even when exhibited in the home countries. In Austria one German film *Werner* made 10th place immediately behind *Toy Story*. In Brazil all ten top grossing films were American. The top grosser in all these countries was *Independence Day*, a mediocre sci-fi action-thriller.

Even in France, a country known for its antipathy to the United States, American films were the top six grossers, and only two films in the second half of the list were French. Neither of the French films *Le Vert*te, *siji* and *nemens* and *Leibequer* was released in the United States.

Despite these marvelous indicators, fear and anxiety runs through Hollywood like communicable diseases. One result of this is the ease with executives grant final cut to film directors. Final cut used to be granted to film directors as evidence of excellence such as when Orson Wells handled almost every aspect of the production of *Citizen Kane* or to David Selznick for infusing *Gone With the Wind* with his vision. But today final cut is often given
so that blame for a mediocre film can be limited to its director. In the old Hollywood no executive would go so far to protect himself for the repercussion of a bad film. In fact executives down to the mid-management level face problems which are nearly insurmountable.

Perhaps the worst are the costs in the film world today. Hollywood unions are the most expensive in the world (and not far from the least cooperative). Millions must be spent to keep a technical edge on other studios.

Stars’ salaries have gotten completely out of hand. A select group earn $20,000,000 or more per film. These stars, Tom Cruise, Jim Carry, Mel Gibson (in better days) are in constant demand, and many banks will not bankroll films if one of them is not in it.

Sometimes erratic behavior by a star can endanger a major production. A fever which struck Elizabeth Taylor during the filming of *Cleopatra* nearly closed down production. Marlon Brando was known to clown his way through films he had lost interest in. Brando’s performance as an effeminate Fletcher Christian and his off-screen antics severely damaged the 1962 remake of *Mutiny On the Bounty*.

Marketing executives sometimes face anxiety producing challenges that sometimes require great ingenuity and involve real danger.

Francis Coppola’s *Apocalypse Now* shot in the Philippines from 1976-1979 was a nightmare production. Not only did the cost run away from Coppola, but early in the production a typhoon destroyed the principle movie set. Marlon Brando showed up to shoot the role of Kurtz so overweight that he could only be shot in shadows, and Coppola nearly lost his family because of an affair with a photographer. Coppola also had continual problems with the Philippino Air Force which he had hired but who frequently were too busy fighting rebels to appear in the movie. Finally, Coppola developed writer’s block. He arrived in Cannes with his ending still unfinished.

*Apocalypse Now* was saved by its enthusiastic reception at Cannes, although some will still argue that the ending is unsatisfactory.

*Apocalypse Now* was not Coppola’s first experience on the firing line.

In shooting *The Godfather*, the Paramount production crew was confronted by a group called the Italian Anti Defamation League.

The leaders of this group turned out to be made guys, high ranking members of the New York Mafia. The studio response was to bow to mob pressure. The gangsters were given access to the set, and in return, they responded affably, serving as technical advisors and as
extras in the wedding scene that opens the film. They also saved Marlon Brando from a beating. Brando had insulted a group of Mafioso who were appearing as extras in the wedding scene.

Studio trouble can simply involve financing yet the promotion of James Joyce’s *Ulysses* involved almost Byzantine strategy and a complex set of maneuvers worthy of a thriller. Joseph Strick, who had bought his ways into the movies with money earned at a rubber factory, had made a series of ambitious literary adoptions. His 1966 film *Ulysses* had been shot in Dublin with an all-Irish cast. The book had been considered unfilmable partially because of Joyce’s esoteric style and because much in it was considered obscene. No one had seen the film, but it was widely believed that because of its obscenity, it would be unfit to show the general public.

What followed next ranks high in the pantheon of marketing maneuvering. The Maryland State Censor Board and the Chicago Censor Board both said they would not permit the film to be shown unless it was subtitled to them first. Walter Reade Inc., the film’s distributor, said the film would only be shown for three days. They said this was to challenge censorship which Joyce had been vehemently opposed to. It was stated adamantly that the film would not be shown again after its three day engagement.

So the line was drawn in the sand. As the deadline neared both sides issued more strident proclamations. Meanwhile, matinee prices was set at $4.00 and evening tickets at $5.50, the most expensive so far in film history.

On the day before the premiere Chicago caved in. Then late the next morning the Maryland Censor Board said the movie could be shown without previous viewing. An hour later Walter Reade announced it would permit the Censor Board to view the film in the afternoon.

The movie received respectful reviews in the United States. Molly Bloom’s closing soliloquy was praised.

As an exercise in financial strategy the film was a tremendous success. In three days the film earned just shy of a million dollars, earning back all of its production costs.

Two weeks later Walter Reade announced that it could not keep such a superior film from the public. *Ulysses* opened in New York and went into ordinary distribution in urban areas around America.

Are the new breed marketing wizards the answer to Hollywood’s problems? Is management by small groups superior to individual leadership. The future is uncertain, but
then no one can match Hollywood resources.

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Footnotes

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