



*How Can Independent Filmmakers
Survive in the Digital Age?*

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Abstract

Title: “*How Can Independent Moviemakers Survive in the Digital Age?*”

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The present thesis aims to answer the question of whether independent moviemakers can survive in the digital age. Having been faced with digitalization and the transformation of its core practices, the film industry was obliged to rethink its existing business models. This research demonstrates the threats (worsening financial situation of art-house cinemas, overwhelming expansion of choice), as well as opportunities (widening of distribution opportunities, cheaper marketing of indie content, diversifying cinematic offer). The findings of my research show that it is indeed possible for the independents to survive by combining the advantages that come from both online and offline sphere.

Key words: film production, business models, digitalization, value for money, VOD platform

Resumo

Título: »*Como é que os cineastas independentes podem sobreviver na era digital?*«

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A presente tese visa responder à questão de saber se os cineastas independentes podem sobreviver na era digital. Tendo sido confrontada com a digitalização e a transformação das suas práticas fundamentais, a indústria cinematográfica foi obrigada a repensar os seus modelos de negócio existentes. Esta investigação demonstra as ameaças (agravamento da situação financeira das salas de cinema artístico, expansão esmagadora da escolha), bem como as oportunidades (alargamento das oportunidades de distribuição, comercialização mais barata dos conteúdos indie, diversificação da oferta cinematográfica). Os resultados da minha investigação mostram que é de facto possível para os independentes sobreviverem combinando as vantagens que provêm tanto da esfera online como offline.

Palavras-chave: produção de filmes, modelo de negócio, digitalização, valor para o dinheiro, plataforma de VOD

Table of Contents

ABSTRACT	2
RESUMO	2
ACKNOWLEDGMENTS	5
1. INTRODUCTION	6
2. LITERATURE REVIEW	8
2.1 FILM INDUSTRY IN THE WAKE OF DIGITALISATION	8
2.1.1 THE FILM VALUE CHAIN	8
2.1.2 ORGANIZATIONAL PRACTICES AND STRATEGIES OF MOVIE MAKING	9
2.1.3 FROM HOLLYWOOD DOMINATION TO INTERNATIONALIZATION OF THE INDUSTRY	10
2.1.4 STRUGGLES WITH DEFINING THE INDEPENDENT MOVIE SPHERE	11
2.2 THE RISE OF DIGITAL DISTRIBUTION	12
2.3 THE EVOLUTION OF THE NEW BUSINESS MODELS	14
3. METHODOLOGY	17
3.1 RESEARCH DESIGN	17
3.2 DATA COLLECTION	18
3.3 DATA ANALYSIS	22
4. EMPIRICAL SETTING	23
4.1 MUBI	23
4.2 MARTIN DRAKSLER	24
4.3 JOANA GUSMÃO	25
4.4 ANA DE SOUSA	25
4.5 ULA POGOREVČNIK	25
4.6 DAREJ ŠÖMEN	26
4.7 MIHA ČELAR	26
5. FINDINGS	27
5.1 SURVIVAL OF THE INDEPENDENTS IN THE ONLINE SPHERE	27
5.1.1 ADAPTING VOD'S VALUE PROPOSITION FOR THE INDEPENDENTS	27
5.1.2 CREATING CUSTOMER RELATIONSHIP AND CHANNELS BY CINEMA-ON-DEMAND AND FILM SOCIAL MEDIA	29
5.1.3 REVENUE STREAM: SUBSCRIPTION MODEL OR PAY-PER-VIEW?	30
5.2 VALUE PROPOSITION IN THE OFFLINE SPHERE	31
5.2.1 RETHINKING CINEMA'S VALUE PROPOSITION	31

5.2.2 ACTING LOCALLY TO REACH THE TARGETED CUSTOMER SEGMENTS	32
<u>6 DISCUSSION</u>	<u>34</u>
<u>7 CONCLUSION</u>	<u>36</u>
<u>8 BIBLIOGRAPHY</u>	<u>37</u>
<u>9 APPENDICES</u>	<u>47</u>
9.1 APPENDIX 1: SECONDARY DATA COLLECTION	47
9.2 APPENDIX 2: CODING TABLE AND EXAMPLES	49

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1. Introduction

“Cinema still has this beautiful particularity to it, because it’s a moving picture, it’s always a representation of its time. It’s not a statue and it brings wonderful discussions about life to the table.” (J. Gusmão, personal communication, October 31, 2021)

Since the beginning of the second millennium, our society has been witnessing an increased disruption in business models across all industries (Evanschitzky et al., 2020). This turbulence arose from the intense digital innovation that caused the erosion of the approaches from the previously prevalent practices (Skog et al, 2018; Karimi & Walter, 2015). Film industry was no exception when it came to inducing systematic changes. The technological disruption is best represented by the expansion of video-on-demand (VOD) platforms. These new technologies have caused a significant shift in how film enthusiast consume the content, but also in how the content is created, marketed and distributed (Smits & Nikdel, 2019). While choosing a screening time that suits you best, buying a ticket and seeing a movie in a cinema used to be an unquestioned way of film watching, nowadays a vast majority will opt for staying in the comfort of their home and choosing a movie on one of the VOD platforms (numerous platforms such as Netflix, Amazon, MUBI, Hulu are trying to grab as much market share as possible) for which they're paying a subscription or they consume content on pay-per-view basis (Steward, 2014). Thus, such platforms have pushed the industry into rethinking the existing business models and began changing the relationship between different players of the value chain. Cinemas are faced with the new reality of not being an exclusive place that offers access to movies anymore. Hence, they have been forced to start finding ways to create additional value for the theatrical experience.

Nowadays, movies have an important ubiquity within our culture. While the COVID-19 pandemic did severely influence the industry, one can still refer to the numbers from 2019 to show just how powerful its position is. The worldwide box office revenue has in 2019 reached the value of 42 billion US dollars (Watson, 2020). A large amount of this revenue is being generated by the biggest seven US studios – Disney, Paramount, Fox, Sony (Columbia/Tristar), Universal, Warners and MGM/UA (Silver, 2003). Film entertainment industry is largely owned by the aforementioned studios, also referred to as »the giants« (Silver & Apert, 2003). However, the independent distributors release as many, if not more, titles each year as the Hollywood studios. With one significant difference, though – their cost is notably lower (Anderson, 2006). While both indie and mainstream content are available both online and in cinemas and festivals, digitalisation has put the audience in front of the so-called »paradox of choice« (Schwartz,

2004; Sadłowska, 2019). It has never been as easy to access any desired content, however choosing what to watch is proving itself to be daunting for the consumer (Shirky, 2011). It has been found that the consumer will rather stick to familiar content or to content whose word-of-mouth has been long reaching and powerful (Hadida et al., 2020). Thus, it is easier for titles coming from mainstream production houses or those who are profiting from a compelling marketing campaign to be opted for. However, few studies have been conducted on whether the digital future would further marginalize independent movie makers or whether it could help distribute the indie content among a wider crowd persists. Thus, in this research, I propose to focus on possible alternative business models for independent movie makers that can allow them to join the best practices of the online and of the offline world and ensure their own survival.

I will answer the following research question: “How can independent moviemakers survive in the digital age?”. My research will contribute to business model innovation literature and digital transformation literature. From a managerial point of view, the proposed solutions will help independent moviemakers and VOD managers identify consumer preferences and ways to create additional value for them. For the purpose of my research, I opted for a qualitative methodology, and, more specifically, a multiple case study in which my cases were individuals from the independent film industry sphere and MUBI company.

The structure of the thesis is the following. In the first chapter, I will review what has been written thus far in relevant literature on the film value chain, organizational practices and strategies in moviemaking, the comparison of the Hollywood and the independent movies, and digitalisation of movie distribution. My literature review will be followed by the methodology chapter where I will present data selection, collection, and analysis. In the empirical setting chapter that follows, I will provide a more detailed insight into my cases. Finally, my findings will propose potential business models for the independents and their survival in the online, as well as in the offline sphere. The last two chapters will be the discussion and the conclusion.

2. Literature Review

The literature review shows that the struggles of contemporary independent moviemakers have been previously researched. Film industry can be roughly divided in two parts: big production studios, mainly based in Hollywood, and independent movie makers. While there is an enormous amount of money circulating in the first branch, the second one finds itself leaning away from the mainstream and operating with a significantly lower budget. Due to heavy digitalisation across the industry, video-on-demand (VOD) platforms have become a norm in the field of movie distribution. Consequently, this creative industry has been forced to engage in new forms of business models in order to catch up with the digital age and with consumer preferences. However, little has been said on how independent cinema can take advantage of this digital era on its way to survival. There is a vivid discussion among the scholars of the area regarding how to use the aforementioned on-demand technology to stimulate diversity, availability of the content and the suitability to consumers' preferences.

Firstly, we start by taking a closer look into the film's value chain (2.1.1). Afterwards, we will review what has been written on organizational practices and strategies of moviemaking (2.1.2). Next, we will dive into the difficulties regarding the definition of what an independent movie sphere is and how it differs from Hollywood. This distinction assures the understanding of potential survival solutions for independent movie makers. Lastly, one must take a quick look at the new tendencies that digital disruption (2.2) brought into the industry and how it influenced it so far.

2.1 Film industry in the wake of digitalisation

Academics and researchers have identified the main characteristics regarding the film value chain, organizational practices, and strategies. They also tried to establish what the main differences between Hollywood and independent films are. Finally, all of those concepts will be regarded through the various changes that digitalisation has stirred in the film industry field.

2.1.1 The film value chain

Management scholars have been diligently researching commercially the biggest creative industry (Lorenzen, 2008). Its value chain is composed of several firms and individual filmmakers that oversee different elements of film production and distribution (Bartosiewicz &

Orankiewicz, 2020). The stages leading to a finished film constitute of development, financing, production, sales, distribution and, finally, consumption. Many scholars argue that the most important stage in the value chain tends to be the dissemination, due to its ability of creating a cash flow that goes back to the production company. (Muñoz Larroa & Ferrer Roca, 2017). Certainly, creative process also determines a movie's success after its release, however it is in the hands of distributors to formulate an effective screening strategy: they have to make a decision on a premiere date that will assure high demand, and on screening locations, i.e. in which cinemas will the movie be shown (De Vany, 2003). The US market has at its disposal transnational companies, called the Majors, that set trends for most of the other players in the industry (Bartosiewicz & Orankiewicz, 2020). Alongside Hollywood's global dominance in film industry, other countries have also been deciding to subsidize the film production in order to promote their national film industries (Messerlin & Parc, 2017). Due to Europe's linguistic diversity, the market has been fragmented into various smaller ones that are obviously smaller in size. Thus, 75% of European movies are distributed by independent companies that are unable to compete with their American counterparts (Pardo & Sánchez-Taberner, 2012).

2.1.2 Organizational practices and strategies of moviemaking

Cinematography is the result of 19th century Edison Company's innovation of Kinetoscope that allowed one person at a time to gaze at moving pictures (National Science and Media Museum, 2020). At first, it was hardly the US who was the leader in film screenings and movies were at first rarely narrative. Movies' role was rather to educate factory workers or to show the audience events of which they had previously heard – scenes from the Spanish American war, for example (Balio, 1985). Still today, we consider the golden age of cinema to be the era between 1930s and 1950s in Hollywood, when 80 to 90 millions of Americans would go to a movie theatre on weekly basis (Dobbs, 1986). A survey conducted in June 2019 showed, however, that cinema going practices have changed significantly. 40% of Americans see a film in a theatre less than once a month (Navarro, 2019), while another survey that took place in March 2021 found that only 45% of the respondents felt comfortable returning to the cinemas in the times of pandemic (Clark, 2021).

From the 1950's one could observe a shift in the American film production. The environment of the film industry changed, and the downsizing of the work started, along with subcontracting the work, all due to a more and more competitive conditions (Jones, 1996). The way film producing was organized at this time, is significantly different from what we know today. The

film industry was, in the golden age, based on informal personal networks that ensured projects, which contrasts with traditional hierarchies and in-house HR departments that prevail within big-budget movies of today (Hirsch, 1972; Reich, 1991). However, the tendency to create movies outside the big studios existed back then and are only becoming stronger in the age of technological disruption (Ortner, 2012). The creation of movies outside big production houses is centred around self-employed subcontractors who move from project to project with different firms. In this fashion, the firm's task is to finance and distribute the finished movie (Jones, 1996). While studios oversee financing and releasing feature films, production largely relies on film-to-film outsourced creative resources (artists, producers and technicians) (Miller & Shamsie, 1996). Regarding the current organizational practices: film creation starts with having a script, casting of actors, budgeting, choosing the production team and forming a marketing strategy (Basuroy et al., 2006). Producing and distributing practices that filmmakers opt for are heavily oriented towards a movie's theatrical release. Attracting the mass audience already in the opening weekend is of incredible importance as its high or low attendance often dictates a movie's future (Hadida et al., 2021). It is very favourable to have the word-of-mouth on board which tends to generate higher attendance over the long run, and consequently, creates a demand for having a movie make its appearance on video-on-demand platforms (ibid.). What is more, the word-of-mouth has the power of convincing potential audience to prioritize seeing a movie in a cinema rather than staying in the comfort of home. Without having a potent word-of-mouth, consumers can't know whether sacrificing their time would end up being worth it (Walls, 2008).

2.1.3 From Hollywood domination to internationalization of the industry

In an effort to ensure contemporary relevance of the definition regarding Hollywood movies, one should focus on modern Hollywood movies, i.e. those released after 1990s.

Motion picture studios, located in Hollywood, California, are, and have been for more or less a century, in charge of writing, financing, producing, marketing and distribution of feature films in the United States and the rest of the world (Lorenzen, 2007). One can indeed observe internationalization of the industry, specifically to countries like India, France, UK, Nigeria. The process of internationalization could be expected to give space to smaller-scale producers, as it expands the market and offers growth opportunities (Lorenzen, 2008), however the general preference for Hollywood aesthetics and English language cinematography still prevails (Oh, 2001).

2.1.4 Struggles with defining the independent movie sphere

Academic and other publications established independent moviemaking as a distinct category when compared to the mainstream side of the industry (King et al., 2013). In the words of British Film Institute (2016), independent movies can be described as “*those films that don't sit easily within a mainstream and highly commercial genre.*” Nonetheless, problems with defining independent movies (also referred to as »indie« movies in some literature) persist. For example, characterizing indie movies as all movies produced in a non-studio environment would be, according to King et al. (2013), too broad of a definition and would, as such, have little value. According to Ortner (2012), when defining what an independent movie is, the simplest starting point would be to understand it as the antithesis of a Hollywood film. While Hollywood movies, produced in studios, tend to have a skyrocketing budget (\$379 millions for *Pirates of the Caribbean: On Stranger Tides*) (Debczak, 2021), independent movies usually have a rather low budget (3,5€ million for *Quo Vadis, Aida?*, a Bosnian movie by Jasmila Žbanić) (Blaga, 2018). Differences also occur when it comes to their role in the society – Hollywood movies serve as entertainment for the masses, offering more often than not a happy ending. As per independent movies, they aim to shed light on acute problems and to challenge the viewers (Silver & Alpert, 2003). On the other hand, numerous scholars have no problem claiming that production of independent movies can take place both inside and outside of Hollywood studios (King et al., 2013). An example of that would be movies such as Tarantino's *Kill Bill Vol. 1* (2003), *Kill Bill Vol. 2* (2004) and *Eternal Sunshine of the Spotless Mind* (2004) that appealed to critical masses, while, at the same time, made significant box office revenues (\$180,9 million, \$152,2 million, and \$74 million, respectively) (Box Office Mojo, 2003, 2004). Nowadays, it is not rare to perceive independent, or indie, movies as murky and depressed in the atmosphere that they transmit (Ansen, 2007; Denby, 2010; Setoodeh, 2009). While independent moviemaking is an important economic activity and most of the movies released are, in fact, independent movies (Cicchetti, 1995), it is rather hard to achieve a pompous international release due to the lack of a proper distribution deal (Dale, 1997).

Regarding the different understandings of independent movies that exist, it is important to distinguish between the American definition and the European one. The filmmakers in the US who consider themselves as independent, perceive Sundance Film Festival as the most important event for showcasing their films, while at the same time finding themselves among Hollywood's number ones (Biskind, 2016). What is more, Sundance is considered by the US

filmmakers as *the* indie film festival, while for the European crowd, a lot of the movies featured on the festival reach a much wider audience and have a much bigger budget at their disposal than a European independent filmmaker can ever dream of (King et al., 2013). However, by having a look at the criteria that needs to be fulfilled to submit a movie to Sundance or to another independent European film festival (Rome Independent Film Festival or Sarajevo Fil Festival for example), we notice that the rules do not differ as much. For instance, both Rome and Sundance festival require the movies to be longer than 52 minutes; a movie will meet “In Consideration” status for Sundance if it’s retaining its international premiere status, while Sarajevo gives priority for those that would premiere there and Rome insists that for all competitors it must be their Italian premiere (Sundance, 2021; RIFF, 2021; SFF, 2021).

2.2 The rise of digital distribution

With the rise of technology, the film industry has been forced to rethink its traditional structure that regards everything from film production, distribution, and marketing of the content (Colbjørnsen, 2020). The rules of the game changed, and it is yet to be agreed upon whether this disruption poses a threat or an opportunity for the independent moviemakers (Smits & Nikdel, 2019; Kehoe & Mateer, 2015).

While distribution may have been in the hands of film festivals for a very long time, assuring that commercially unviable movies reach audiences that otherwise wouldn’t have the opportunity to enjoy these movies, the distribution process today seems to be rather different (Peranson, 2008). It is a known fact that the perforation of technology into the landscape of cinematography changed a myriad of aspects (Christensen, 1997). One can begin by observing the transformation from silent to sound film, then came the dawn of colour cinematography, this was followed by an emersion of TV broadcasting (Barnes, 2019), while today the main topic of conversation became the streaming revolution (Hagener, 2016). Traditional »windowing«, where a movie is released in different markets for a certain amount of time in order not to cannibalize the profit in any of the markets, seems outdated today (Sutter, 2014). In this day and age, due to digital delivery platforms, audiences accept nothing less than having access to all the content at any given time or place (Sutter, 2014). The question today though, according to Silver and Apert (2003), is whether these new digital technologies will establish even further the dominance of major Hollywood studios or will they give way to flourishing of independent movie makers. For major Hollywood studios the issue on how to maintain their lucrative relationships with advertisers and cable operators, while still successfully monetizing

the new digital space arises (Sutter, 2014). Nonetheless, those exact Hollywood studios have hopped on the technological train and started offering their movies on internet platforms (Silver & Apert, 2003). On the other hand, the introduction of video-on-demand (VOD) services offers a set of opportunities and threats for the independents too. Establishing a direct web distribution of movies allows them to eliminate any intermediary (Kauffmann, 2000), which in turn brings a bigger capacity and higher sales (Duncan, 1998). What is more, spatial constraints do not stand in the way of the online movie distribution. Therefore, a wider range of content produced by the independents can reach a much larger portion of its targeted audience (Anderson, 2006). Platforms such as MUBI put emphasis on providing curated content that is intended to please a more highbrow audience (Smits & Nikdel, 2019). In contrast, Amazon and Netflix tend to claim their content is generated by their consumers' demand. But what seems like consumer autonomy, often turns out to be a double-edged sword (Silver & Apert, 2003). On one hand, social media possesses a large amount of power when it comes to marketing. Thus, creative workforce is obliged to generate an eternal social media buzz and to endlessly strive to deliver the content that is wanted by the consumer (Sutter, 2014). However, at the same time one can observe Netflix's algorithms that suggest content to its subscribers and therefore actively negate the freedom of choice (Smits & Nikdel, 2018).

Online VOD services are mushrooming and with them also promises of instant delivery of any given movie and uninhibited consumer preference (Lobato, 2008). Haganer (2016) distinguishes between three existing models of VOD services. The first one is free of charge and offers content created by the users; YouTube, Dailymotion and Vimeo are examples of that. The second model is the one with subscription fees that offers professionally produced material; examples being platforms such as Netflix, Amazon Prime and MUBI. Lastly, the third kind is again free of charge, but in contrast with the first model, this one operates illegally.

Taking a closer look at the two leading operators, Amazon and Netflix, it quickly becomes evident that they give emphasis on the current mainstream content and in this sense, they resemble the Hollywood offer (Smits & Nikdel, 2019), while leaving little or no space for independent cinema, vintage movies and festival films (Smits et al., 2018). In the recent years, Netflix has shifted to producing its own content, in order to avoid problems with international rights management (Haganer, 2016). Many argue though, that the real advantage of Netflix's business model is the insight into consumer preferences that streaming offers. In the words of Sarandos, CEO of Netflix:

“With streaming, we have insight into every second of the viewing experience. I know what you have tried and what you have turned off. I know at what point you turned it off. If there’s

a glitch in the soundtrack or some- thing wrong in the code, the data is so refined that it can detect mass quantities of people stopping at the same point and signal a red flag within hours of the content going live. That's a much more efficient quality assurance process.”
(Sarandos, 2012).

Apart from VOD platforms, there has been a rise of »cinema-on-demand« platforms as well (such as *Movieday.it* on the Italian market or *Tugg.com*¹ in the US). Essentially, they are crowd sourcing platforms that take consumer preferences in consideration when it comes to decision-making and programming of the cinematic offer (Solidoro & Viscusi, 2020). The creation of event goes like this: participants can choose any of the movies that had been pre-contracted by the »cinema-on-demand« platform for their local cinema that has a preestablished partnership with the platform. If the threshold for the minimum number of screening attendees has been reached, the projection is confirmed (Viviele, 2019). With this new venture, customers become the new gatekeepers (traditionally, cinemas held that role) who stimulate cultural diversity, awaken new conversations on the topic of cinema and spread the word of mouth through online user-groups that no longer come in their traditional shape of newspaper columns, festival juries or dedicated television shows (*idem*, 2020).

Besides the formal online movie distribution – through platforms such as Netflix and Amazon Prime – one must recognize the existence of the aforementioned informal networks. Film piracy, being the most spread one, has often been understood as antagonistic in relation to the cultural industries (Crisp, 2015). But, if one shifts away from the ethics of piracy, Lobato (2008) argues that it offers a leeway to assuring a broader access to knowledge and content.

2.3 The evolution of the new business models

Due to the digital disruption, we can observe how business models have changed across all industries (Evanschitzky et al., 2020). Under the term of digital disruption, we understand all the processes of digitalisation that are replacing the previously analogue practices (Karimi & Walter, 2015; Evanschitzky et al., 2020). Independent film industry is no exception when it comes to reshaping its business model due to the consequences caused by digital transformation (Matt et al., 2015). The new technologies changed not only the way costumers consume content, but also how content is created and distributed (Karimi & Walter, 2015). New distribution models that come in the shape of VOD giants have been severely deconstructing our past

¹ After 9 years of existing, *Tugg.com* went bankrupt after failing to finalize the selling of the company (McNary, 2020).

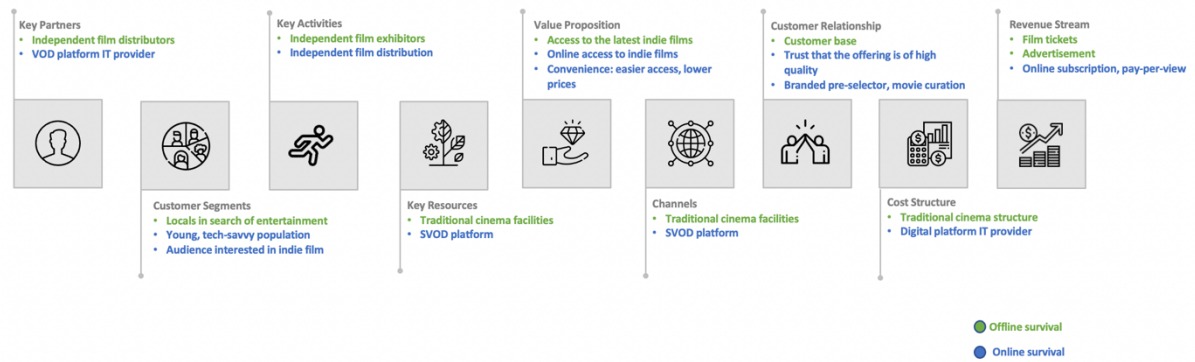
knowledge about film distribution and have pushed art-house cinemas into rethinking their past practices due to their worsening financial situation (Peranson, 2008; Sadlowska, 2019). In the past literature, there is no common consensus on whether the independent filmmakers should build their new business models solely in the online or in the offline sphere. What is more, there is a gap in the academic literature regarding whether digitalisation proposes only a threat to the independents or an opportunity too.

In order to fill the gap in the literature, especially regarding the new possible business models for independent movie makers in the age of digital transformation, I propose to answer the following research question:

How Can Independent Moviemakers Survive in the Digital Age?

Zott and Amit define a business model as a “*system of interconnected and interdependent activities that determines the way the company “does business” with its stake holders*” (2017, p. 20). There are three design elements that are crucial for characterization of the aforementioned activity system: *content* (selecting the activities), *structure* (how are the activities connected) and *governance* (who is performing the activities). Linking this definition to the field of independent film industry, we can understand content as the movies that the art-house cinemas offer or the titles that we can find on VOD platforms (Sادلowska, 2019; Pauwels & Weiss, 2008). In terms of structure, VOD platforms acquire the rights for the content they plan on exhibiting and then utilize different models to charge for the service: subscription based model, pay-per-view model are among the two most common ones (Steward, 2014; Hadida et al., 2020). As for cinemas, they too acquire rights and exhibit their content in physical cinema halls where customers purchase tickets in order to enter the screening (Hadida et al., 2020). Lastly, vis-à-vis the governance of the aforementioned activities, the VOD service is delivered to the viewers by an IT provider, while the screenings are brought to the audience by the traditional cinema facilities and their employees (Sادلowska, 2019).

FIGURE 1: Business model for offline and online survival



Source: author

3 Methodology

3.1 Research design

To answer my research question, I used a qualitative approach for various reasons. Little has been said about how independent cinema can take advantage of the digitalisation of the sector, thus the vividness of the qualitative data happened to be a big advantage of such approach when building new theory. What is more, film industry is a dynamic, multi-cultural and multi-dimensional field and by opting for the qualitative method, I was able to penetrate deeper into the world of actual human interactions, processes, and meanings (Birkinshaw et al., 2011).

Furthermore, I decided to conduct a multiple case study by analysing one company and various independent filmmakers in the industry.

According to Eisenhardt (1989), a case study allows us to understand the dynamics of a certain setting. What is more, a case study provides real-life context across the chosen cases that allows the researcher to compare the concepts and practices within the studied cases (Gerring, 2004; Yin, 2009). Among my cases there is one company, MUBI, and five independent moviemakers. Before getting into why I judged MUBI to be of significance in the independent film sphere, it is important to remind ourselves of the definition of an independent filmmaker. As seen in the literature review, there isn't a single definition accepted across the industry, however there is a consensus that the independents stray away from the mainstream, commercial sphere, and are, generally not part of a studio. Thus, having the MUBI platform among my cases made sense because of its emphasis on art-house films, curation of the content on their website in a rather traditional cinematic way. The process of choosing which independent filmmakers to study began by identifying which industry players may be the most insightful in terms of how digitalisation influenced filmmaking practices. From looking into the functions of cast members of several movies, I concluded that conducting interviews with directors, producers and distributors would help me gain a deep understanding of what they identify as critical issues and what they consider as potential ways for surviving in the age of digital disruption. Once I knew who I was looking for, I scanned my personal network to find a starting point of my interviews – Martin Draksler, young independent movie director who was eager to participate. I continued the process of identifying my cases by looking into connections that I obtained during my volunteering experience at Ljubljana's Film Festival – I contacted two organizers, however neither turned out to be an appropriate case for my research, so no interview was conducted with them. Portuguese film festival organisers were also contacted, however I

unfortunately never received a reply. Finally, while attending a screening at Doclisboa festival, we had the chance of meeting the festival's co-director and film producer, Joana Gusmão, and we asked her for an interview right away. She accepted the proposal and we met on the same day at cinema São Jorge and discussed relevant topics. Next, I wanted to step in contact with someone who has a direct connection with MUBI. Through LinkedIn, I reached out to Ana de Sousa who is a director and a producer, but also works at the MUBI platform as a translator and content reviewer. Later, I turned to Joana to obtain more contacts in the distribution field, however three of the persons contacted never answered, while one didn't have availability until the end of 2021. Around the same time, I also stumbled upon a cultural association in Lisbon called Curious Monkeys that aims to nurture art and connect people through it, organizing movie screenings, for example. They connected me to a producer, but we were never able to schedule an interview. Finally, I stepped in contact with two Slovenian producers at the same time, Ula Pogorevčnik and Darej Šömen, who agreed for an interview and directed me to another potential interviewee. Thus, the last person I conducted the interview with was Miha Čelar, a Slovenian director and producer.

3.2 Data collection

For my research I relied on both primary as well as secondary data, including semi-structured interviews with relevant individuals from the film industry, articles, videos, and podcasts. My primary data collection is composed of six interviews². First one was with Martin Draksler, young Slovenian independent movie director; second one was conducted in person with Joana Gusmão, the co-director of Doclisboa festival and film producer; third one with Ana de Sousa, director, producer, and translator and content reviewer at MUBI; fourth interview was with Ula Pogorevčnik, creative producer; fifth one was with Darej Šömen, producer and distributor; and last one was with Miha Čelar, director and producer. Martin Draksler seemed to me as a good start for my interviews, as he is a young professional, at the beginning of his career. Even though he's had quite some success with his first two movies (*Alzheimer Cafe* and *Maks*) at festivals around the region, he is more than aware of current problems that young moviemakers encounter in the process of financing, producing and distributing their films. What is more, as the first Slovenian contacted, Martin opened a window into the ongoing digitalisation processes

² Along with years of attending movie screenings, film festivals around Europe and my volunteering experience at Ljubljana's Film Festival. Those years of being deeply immersed into the scene gave me an important insight into what moviemakers consider as the biggest challenges of our time and what they regard as possible solutions.

in Slovenia. Next, Joana Gusmão has been in the industry for longer and has experienced various aspects of moviemaking. She has proved herself to be extremely insightful – during the interview (which was also the only interview conducted in person) we mostly discussed the most topical issues of the Portuguese film industry, especially the financing and the producing aspect. With Ana de Sousa, I was able to gain an understanding of inner practices at the MUBI platform. This insight was a confirmation that MUBI is a relevant case for the independent sphere as it is *the* VOD that offers a catalogue of specialized film. The following interview, with Ula Pogorevčnik, focused on the future of festivals through the lens of boutique festivals that could be the leading example of good practice. What is more, Ula mentioned the power of social media channels such as Instagram that independent moviemakers can utilize as a marketing tool. Next, with Darej Šömen, I got an insight into a more optimistic view on digitalisation's influence on the film industry – according to him, VODs are the best thing to have happened to the independent film in the last 20 years. What is more, Darej shared with me his profound knowledge of how movie distribution works for independent moviemakers, especially in the festival context. Lastly, with Miha Čelar I discussed the willingness to pay for a cinema ticket or a viewing of an indie movie among the general audience and the role of cinema in the age of digitalisation.

All the interviews were semi-structured. I had some questions already prepared, but those were broad enough to allow us to develop the conversation in whatever direction that we judged appropriate. This kind of interviews turned out to be successful for collecting reliable and relevant data, while, at the same time, allowing the interviewees to freely share their perspectives and visions without constraints. Before I started the interviewing process, I had spent a vast amount of time studying the existing literature that led me to forming a research question. Consequently, I was also able to identify the gap in previous research done in the field that then allowed me to identify the main themes of the conversation with the interviewees.

The table below is showing the most important themes discussed during the interviews.

TABLE 1: Primary data collection

Type of source	Name	Interviewee's Role	Date of evidence	Interview Length	Observations
Interview	Martin Draksler	Independent Movie Director	13 th October, 2021	1h 2min	The interview was useful to understand a European (Slovenian) independent movie director's view on current VOD practices. Moreover, it gave me an insight into an individual's definition of independent moviemakers which turned out to be rather similar to the one found in academic literature.
Interview	Joana Gusmão	Independent Movie Producer	31 st of October	1h 1min	This interview provided significantly more insight into the Portuguese market. It differed from the first interview because it was held in person and there was no previous relationship established. What was particularly useful was Joana's experience in different spheres of film industry value chain.

Interview	Ana de Sousa	Director, Editor, Producer; Media Translator and Content Reviewer at MUBI	19 th of November	29min	This interview was exceptionally important for having provided an insight into MUBI, <i>the</i> VOD platform for independent movies. At the same time, it was interesting to come across a more positive perspective towards Netflix coming from an independent filmmaker.
Interview	Ula Pogorevčnik	Creative Producer	13 th of December	31min	An insight into how small, boutique festivals work, how they differentiate from the bigger ones and why they could happen to be the future of film festivals.
Interview	Darej Šömen	Producer, Distributor, Editor	16 th of December	59min	Darej provided me with a very deep insight into movie distribution and entering the festival scene. His view of digitalisation's effect on the film industry was also much more optimistic than from other interviewees.
Interview	Miha Čelar	Director, Producer	17 th of December	47min	Another point of view of a director who is at the same time the producer.

Source: the author

My secondary data collection (see appendix 1 for the secondary data collection) is mostly composed of articles published by relevant and recognized journals, interviews with important individuals from the industry (Netflix's CEO, Ted Sarandos, founder of MUBI, Efe Cakarel), and podcasts about filmmaking. This material was used to triangulate the data collected through the conducted interviews – as such, I obtained corroborated data and, thus, more accurate and comprehensive findings. In short, the triangulation process allowed me to reach a deep understanding of phenomena across the industry with the use of multiple types of data and methods (Patton, 1999).

3.3 Data analysis

I used the coding method for my data analysis. Thus, I scanned my data for potential similarities and recurring themes. Once those were found, I grouped together the conceptually similar ones (Corbin & Strauss, 1990). In this manner, I was able to categorize my data which, in turn, facilitated the interpretation of the data. Firstly, I determined from my research question and from my literature review an initial list of codes such as “Topical problems”, “VOD platforms”, “Tensions Hollywood vs. the Independents”. Then I interconnected those predefined codes with the codes I constructed from the data I had collected (See Appendix 1 for the coding table). I came up with first order codes which can also be described as direct statements from the interviews conducted. Those first order codes were then reorganized into more generic groups, second order themes. Finally, I was able to assemble the latter into aggregate dimensions. It was important to make sure the data analysis process was circular, rather than linear – I kept going back to my earlier data, comparing it to data obtained at a later point. As the last step of the data analysis, it was necessary to go back to my research question and compare the obtained aggregate dimensions with it to make sure I was answering the question meticulously with the topics covered by the analysis. I ended up with online and offline solutions for the survival of independent moviemakers.

4 Empirical Setting

In the following chapter, I will present the cases that I analysed for the sake of this research. The chapter is divided in subsections where each of them will be dedicated to a company's or an individual's professional history and achievements. In the first section, I will take a closer look at MUBI, a global film platform. However, in the following sections, it will not be companies that I will put forward, but rather independent filmmakers that have been in the industry for enough time to be able to broaden this research's horizons about ways of surviving in the digital age.

4.1 MUBI

In 2007, MUBI's creator and its current Managing Director, Efe Cakarel, was sitting in a café in Tokyo when he felt the urge to watch the movie *In the Mood for Love*, but he could not find it on any of the available streaming platforms. It struck him that he was sitting in the country whose film market was the third largest in the world, where people were incredibly tech savvy, the broadband speed was admirable and yet there was no possibility to find the movie and watch it online. Within two months, the movie platform MUBI was born (Walsh, 2015). Since the very beginning, MUBI branded itself as a pioneering and innovative streaming platform specializing in promotion of independent film and enhancement of online film culture (Smits & Nikdel, 2019). For their work they have received, and continue to, public funding and financial awards, such as €891,000 in 2018 by the UK office of Creative Europe (Creative Europe Desk, 2018). Initially, they offered a large amount of content – thousands of specialised art-house movies. However, they soon realized that in order to promote such cinematography and to tackle the problem of the choice fatigue, their business model needed to change radically. The new form offers 30 movies at all times and each day one movie is added, while another one is taken off the platform. The price of subscription is €9,99 per month and they have a discounted price for students that pay a fee of €5,99. MUBI consciously opted for restriction of choice with a view to be closer to the more traditional theatrical cinema exhibition, as opposed to Netflix's algorithmic service that mediates consumer's choice (Hessler, 2018). What is more, MUBI's content is meticulously curated and often centred around topical issues, social or cultural trends. For example, they will offer relevant movies that will coincide with Cannes film festival, or they will present a retrospective of a filmmaker for certain anniversaries (Hagener, 2016). Besides their well-thought-out programme, they also include a section called "Our

Take”, which provides a deeper intellectual insight into the artistic, social, and cultural significance of the movie. Moreover, MUBI also published Notebook, a type of digital magazine that includes a variety of film reviews, interviews, festival reports etc. (Sayad, 2015). In the interview, conducted by Nordisk Film & TV Fond, with Bobby Allen, MUBI’s Vice President, Allen explains how MUBI goes through the process of acquiring movies (Pham, 2017). Over the years they have established distribution deals with some of the Major Hollywood studios, such as Paramount Pictures and Sony Pictures. In this manner, MUBI curators are allowed to choose movies from large movie libraries that such studios possess. For more indie content the programmers negotiate deals while attending various film festivals, such as Sarajevo, Karlovy Vary and Tribeca (Hessler, 2018). MUBI’s distribution deals usually revolve around revenue sharing agreements, plus the additional financial rewards that depend on the performance of the movie on the platform. In the case of contemporary films, according to Walsh (2015), they arrange a license fee deal to assure a license for 30 days of having the movie available on the website. Today, MUBI’s main headquarters are located in London, with important offices in Vienna, Berlin and New York. The number of their subscribers has risen to 100,000 in 5 years, however the number of registered (non-paying) users goes up to 8 million. The subscribers are mostly based in the UK and the US. Thus, in order to curate the programme appropriately for each market, MUBI has three curators – one for the British market, one for the American one and lastly one for the international market (Pham, 2017). As of 2021, the company creates \$5M of yearly income and has \$88.1M of total funding. MUBI has also created four apps – two for iOS and two for Android, which account for \$80,000 of income (The Streaming Blog, 2021).

4.2 Martin Draksler

Martin Draksler is a 23-year-old independent movie director from Slovenia who is currently in the process of finishing his studies in film and TV directing at Ljubljana’s Academy of Theatre, Radio, Film and Television. The award for which he received various awards (Vesna Award for Best Student Film, Zlatolaska Award for Best Directing and for Best Documentary) is his short documentary titled *Alzheimer Café* (2019). His latest movie is part of his graduation work at the Academy. The movie in question is a short film titled *Maks* (2021) that has made it to the Festival of Slovenian Film in Portorož and to Coimbra Caminhos do Cinema Português.

4.3 Joana Gusmão

Joana Gusmão started her academic journey in Porto where she studied English Literature. She continued her studies by enrolling into a Master's programme in Performance Studies at the Royal Academy of Dramatic Art. Before returning to Portugal, she assisted the direction of the play *Les Misérables*, which was an important learning experience, as she claims (personal conversation, 2021). In the beginning of her career, she completed the Young Artists Programme at Gulbenkian Foundation, and later, she did a directing course at the Prague Film School. What is more, in Cuba she was a part of the documentary workshop at EICTV.

In 2013, Ji.hlava International Documentary Film Festival in Czech Republic selected Joana as an Emerging Producer. The next milestone happened in 2015, when she was part of Berlinale Talents.

Finally, her connection to Doclisboa was first established in 2015 when she joined the team. From 2018 she was working as Festival's executive director and programmer, and was appointed director in 2020.

One of her latest roles in movie production was for the movie *The Metamorphosis of Birds* (2020) that won awards at several festivals around Europe (Berlinale, Coimbra Caminhos do Cinema Português, IndieLisboa).

4.4 Ana de Sousa

Ana de Sousa is a 26-year-old who studied Technologies of Audio-visual Communication where she specialized in video editing and post-production. Already towards the end of her studies she began working as a free-lancer at MUBI where she was, and still is, in charge of translating subtitles, previewing films before going online on the platform. Alongside that, she worked for communication agencies as a photographer, script writer and video editor.

In 2020, she founded a production company called Bruma Visuals. They mostly focus on video spots, fashion videos and short movies, however, it is in their vision to take up feature films too.

4.5 Ula Pogorevčnik

Ula Pogorevčnik is a young Slovenian creative producer. She started her academic journey studying Fashion Design. Early on, she realized she is rather interested in audio-visual content

and focused her effort in that direction. In 2019, she finished her studies and, since then, worked on video production which englobes everything from screen writing, directing, producing, and editing the content. The repertoire of her creations includes short movies, promotional videos, music videos, short documentary movies etc. Her short fiction film *Natus* (2019) has also made it to the Festival of Slovenian Film in Portorož.

4.6 Darej Šömen

Darej Šömen is an editor and producer who is, at the same time, deeply immersed in the world of film distribution. His works include mostly short movies (*Chasm*, 2018), however, this year, a movie for which he was the executive producer, was also released (*Ameba 2021*). The movie *Chasm* (2019) received the FeKK SLO Award best Slovenian film at Ljubljana's Short Film festival.

4.7 Miha Čelar

Miha Čelar (1970) is a Slovenian film director and producer whose focus lies in cross-media documentary films that are heavily marked with social topics. Miha has also founded a small production house, Astral film, that works on (co-)production and distribution of cinematic and television content. His filmography includes seven documentaries: *Sons of Bora* (2021); *iIsland* (2018); *Codelli* (2017); *Irene, Goodnight* (2017); *Tatjana in Motherland* (2015); *Re-inventing the Wheel* (2015); *A Beautiful Mind* (2014).

For his most recent work, *Sons of Bora*, Čelar received Honourable Mention jury prize at the Slovenian Mountain Film festival.

5 Findings

This research aims to answer the question of how independent moviemakers can survive in the digital age. Following my theoretical framework, the proposed answer will be based on the business model canvas by Osterwalder and Pigneur (2010). The nine core pillars of the new business model for the independents focus on the survival of the independents in both online and offline sphere. What is more, the components of the suggested business model, are split in two dimensions: traditional cinemas, VOD platforms. Some solutions for their future practices may not take exclusively one or the other path, but rather a mixture of both. Additionally, it is important to point out that certain identified problems may not only have only one solution, but various.

5.1 Survival of the independents in the online sphere

The rapid process of digitalisation has significantly altered the film industry as a whole, including the independent sphere as one agent. From the first glance it may seem as if digitalisation further marginalized the indie side of the industry. However, it quickly becomes evident that the digital age has brought with itself important opportunities for the independents too. In the following subsections, we will focus on how value proposition, cost structure and revenue stream changed in the course of digital disruption.

5.1.1 Adapting VOD's value proposition for the independents

“[VODs] are the best thing that happened to the independent film industry in the last 20 years.” (D. Šömen, personal communication, December 16, 2021)

Digital disruption in the film industry resulted in the emergence of various VOD platforms that changed forever the way movies are distributed. Thus, cinemas and festivals partly lost their roles of gatekeepers. VOD's main value proposition lies in the fact that finding the desired movie has never been so simple. And yet this simplicity proves itself to be a double-edged sword (de Sousa, 2021). The consumer may have the access to any title out there but is, at the same time, faced with the so called “paradox of choice”. Having conducted various interviews, the common consensus is that platforms such as MUBI represent a viable solution specifically because its value proposition englobes not only the simplicity of use, but also the curation of the programme (de Sousa, 2021; Draksler, 2021). The content on the MUBI site is

professionally curated and it imitates a cinema or a festival repertoire. What is more, being the art-house-cinema platform, MUBI successfully capitalizes its customer segments which can be understood under the terms of engaged audience. Their activities aim to create a context, similar to the one from a film festival. For this reason, this platform complies with the wishes and the taste of independent moviemakers as well as those of independent movie enthusiasts, thus, increasing their willingness to pay for the subscription. Importantly, MUBI has built a reputation for being an *arbiter elegantiae* and secondly, MUBI's activities include educating the public too. For instance, for younger audience that is only entering the world of art-house cinema, MUBI provides a contextual frame with the retrospectives and the discussions regarding different topics that they put together. Alongside film distribution, creating context and education, an activity that MUBI executes as well is data analytics. In this manner, they have been able to identify their customer segments more precisely and thus, make sure that the content delivered is geographically tailored (Walsh, 2015).

Besides MUBI, my findings point to other ways of how VOD platforms can positively help the independents distribute their content. Such example is the Slovenian platform that through the COBISS platform, initially a shared cataloguing system for national Slovenian libraries that recently took up the role of an archive that would offer all Slovenian movies ever made for all holders of a library card in Slovenia (Draksler, 2021). Given its national nature, its capacity to reach a big number of people is of big importance – in 2015 there were almost 82,000 active users³ (Delo interview, December 2015). As such, it can raise the national awareness and fondness towards the national film production.

The independents can, however, explore their options on the more mainstream platforms too. In the conversation with independent movie producers, they mentioned how Netflix and HBO have dived into smaller markets, such as Portuguese. For instance, the show *Glória* has reached an important number of viewers, not only in Portugal, but internationally too. Not only has no other Portuguese production reached this big of an audience, but it has also brought significant visibility to the Portuguese market that could, later on, further help the independents become more lucrative (de Sousa, 2021; Šömen, 2021).

³ Under the term “active user” we mean that they borrowed something from a library at least once in a year.

5.1.2 Creating customer relationship and channels by cinema-on-demand and film social media

“We’re giving audiences the power of choice for the films that they want to see in their local cinemas” (Dean, 2016)

The distribution chain has changed significantly, and those changes are especially seen in regards of independent movies. The shift from supply-led to demand-led is mostly seen in the changes that occurred in the relationship between the customers and the companies (Solidoro & Viscusi, 2020). The emergence of the active customer, that is notably more engaged and, as such, expressing their needs and desires through commenting, rating, sharing, and tagging, marks a new era. Since cinemas don’t offer exclusive access to movie-watching anymore (Draksler, 2021; Gusmão, 2021), the independents have been searching for new channels that would allow them to gain back the audience and deliver the value through the use of technology. As such, a new, successful channel has emerged: cinema-on-demand. Crowd-sourcing platforms, such as *Movieday.it*, represent the key resource and are the base of their value proposition of encouraging the consumers to turn to social media channels and hence, become an integral part of decision-making process, thus revolutionizing their customer relationship. *Movieday.it* and other similar platforms weaken the importance traditional tastemakers (critics and art magazines), as they emerge from actual viewers and, as such, awaken new conversations that in turn attract an even larger number of viewers (Dean, 2016). Because of this advantage, the independents should see such platforms as an important opportunity for themselves. Yet unknown independent moviemakers should begin the process of engaging with the audience even before a movie’s release, as that would allow them to recognize the tendencies on the market and consequently, they would be able to build a successful marketing campaign for their movie. The promotion, that is yet another value proposition of cinema-on-demand platforms, needn’t be executed only by the distribution team. On the contrary, the role of a promotor can be taken up by spectators who are passionate about a movie’s topic and can, in turn, create an outreach bigger than distributors or a marketing team could ever wish for (Dean, 2016).

Findings show that spreading the word about independent movies and thus, attracting a wider crowd, has long stopped being only spread by the word-of-mouth (Čelar, 2021). Businesses, alongside with independent moviemakers have recognized the importance of engaging with their customers. While IMDB has, as the main social media for cinephiles, existed for a while,

it turns out that there are better ways to deliver tangible value to a more high-brow clientele (Menart, 2021). The main value proposition of film social media is that allows sharing of movie recommendations, ratings, and reviews. Two social media channels that are regarded as especially useful for the independents and their targeting audience are *Letterbox* and *Metacritic* (Menart, 2021). In terms of channels, or how value is delivered to customers, those apps are available on any device. Their main advantages compared to the more mainstream channel, IMDB, are that the users reviewing, rating, and creating watch-lists are more versed in movie-watching and its design being more tasteful and minimalist. What is more, *Letterbox* provides information about VODs offering a certain movie that a user is looking for. As such, independent moviemakers can use tools like these to their advantage – promoting their creations among the audience that is likely to opt for an indie movie rather than a blockbuster and facilitate the finding process for the viewers (Menart, 2021). Additionally, through comments, reviews, and ratings (Pogorevčnik, 2021) filmmakers can make sure to engage with the audience and turn them into more loyal watchers that will further advertise the movie through the word-of-mouth.

“I stumbled upon Letterbox many years ago and I was pleasantly surprised by its minimalism and tastefulness.” (Menart, 2021)

Furthermore, the independents can capitalize the online content regarding filmmaking, festivals, and other news from the industry to further educate their audience (Menart, 2021). Having spoken with various independent moviemakers, podcasts (*Scriptnote*, *Film Comment*, *Filmarija*), magazines (*Indiewire*, *Moviemaker*), video essays (*Every Frame a Picture*) and YouTube content (*RedLetterMedia*, Patrick H Willems) emerged as useful education apparatus. Such content deals with different topics that come up across the indie sphere either in a serious manner or in a more ludic one. Thus, this changed customer relationship and changed ways of interaction between the moviemakers and the viewers, allows cinephiles to be the ones driving the conversation and boost a movie’s sales. It all boils down to the fact that once the audience is engaged and up to date with new releases, they are more likely to attend a screening or watch a certain movie on a VOD platform (Šömen, 2021).

5.1.3 Revenue stream: subscription model or pay-per-view?

“If a platform buys a movie for 100eu and it can be selling it for a year, let’s say. With this certain movie, a platform can attract a certain number of viewers and earn a much bigger

amount than the one for which the movie was bought. And I don't find that fair.” (Luzar, 2021)

While it is obvious that VOD platforms are here to stay (Pogorevčnik, 2021; de Sousa, 2021), there are different ways of charging for the service they provide and ensuring a facilitated survival of the independents in the digital age. In order to guarantee that all filmmakers involved in the creation of a movie receive a fair compensation for putting their movie online. It was found that a pay-per-view model is more just towards an independent moviemaker compared to subscription-based model (Luzar, 2021). According to Predan Kowarski, one of the interviewees from the podcast *Filmarija* (Luzar, 2021), the subscription model is a form of exploitation, as the VOD provider can profit unproportionally to what it has been charged for a certain time of having the movie available on the platform. In this manner, the platform profits on the artist's account and further pushes the independents into precarity. What is more, this model cannot provide as relevant of an information as the first model regarding how many viewers a specific movie has brought to the platform. On the contrary, with a pay-per-view model one can easily track the number of viewers and ensures a transparent division of profits between the platform and the rights-holder (Luzar, 2021).

5.2 Value proposition in the offline sphere

“Cinema still has this beautiful particularity to it, because it's a moving picture, it's always a representation of its time. It's not a statue and it brings wonderful discussions about life to the table.” (J. Gusmão, personal communication, October 31, 2021)

My findings indicate that the survival opportunities do not exclude the offline sphere. Frequently the independent moviemakers express their lack of trust or enthusiasm towards the on-demand platforms. In conversation with important industry players, it became rather clear how important the theatre experience is for them, as well as for the audience. Such experience cannot be replicated in the online sphere and must find ways to co-exist with the online world in the future.

5.2.1 Rethinking cinema's value proposition

“Cinemas should strive to become social hubs whose charm isn't only to watch the movie on the big screen (we know that some homes already have huge screens and very advanced sound systems), but rather a place where after a movie you will grab a glass of wine, discuss

the movie with other movie enthusiasts, maybe check out the cinema's book shop..." (M. Draksler, personal conversation, October 25, 2021)

As mentioned above, cinema's main value proposition is no longer the one of providing exclusive access to movies (Draksler, 2021; Gusmão, 2021). With the emergence of modern audio-visual equipment that is becoming almost a normality in many households, people are opting for movie-watching in comfort of their home, rather than going to the cinemas (de Sousa, 2021). Thus, in order for cinemas to survive this digital disruption, they need to rethink their ways of attracting the consumer. The strategy that comes up frequently and is proving itself to be a viable one is the transformation from being "only" an independent cinema to becoming a "social hub". Besides movie screenings, the visitors should be able to visit a café, grab a glass of wine before or after the movie (Draksler, 2021), there should be a place to discuss important movie themes and a place that allows fellow movie enthusiasts to come together and socialize (Pogorevčnik, 2021). A thematic bookstore or a gallery for local artists to exhibit their works are additional ideas that could render cinemas more attractive for those who began to doubt the value of money of a cinema ticket. Thus, their key resources and key activities will have stopped being only the cinema hall and the movie screenings, but also the aforementioned cultural infrastructure. What could also bring additional value to the theatrical experience are different participative activities that engage the audience in different ways. For instance, a Q&A with the film crew that accepts questions from the audience through Twitter or Facebook. Additionally, cinemas can organize thematic roundtables after a screening or perhaps go a more ludic way and organize a masquerade where the audience can come dressed up (Gusmão, 2021). However, one thing was clear during all interviews: my interlocutors believe that VOD platforms cannot and will not replace the cinematic experience (Draksler, 2021; Gusmão, 2021; de Sousa, 2021), because it is more than just watching a movie and the whole experience can only be felt and lived in an actual cinema hall (Čelar, 2021).

"Cinema is an experience, just like an amusement park. And yet people didn't stop going to amusement parks just because there is an online game that is happening in an amusement park." (Luzar, 2021)

5.2.2 Acting locally to reach the targeted customer segments

The second important finding regarding the survival in the offline sphere has been to act on a smaller and a more local scale in order to better understand and cater to different customer

segments. Appealing to the targeted customer segments englobes their geographic location, their linguistic situation, and their content preferences. One of the biggest struggles that the online platforms face is creating and offering a locally tailored content. Those independent moviemakers who believe that their future is primarily offline, highlight the importance of standing out in the overwhelming number of events, festivals, movie screenings etc. (Šömen, 2021). What is more, they noticed that the audience has been through a difficult two years, and it became even harder to understand what the audience truly wants (Gusmão, 2021). Thus, the film industry must take a step back and start organizing things on a smaller, more local scale that will appeal to the local community. Film festivals like Berlinale or Venice Film Festivals have been named as good examples of such practices, because they are in connected to the city and its traditions, and are, as such, successful in attracting the locals that are not necessarily a part of the industry (Gusmão, 2021).

“I have a feeling like we have to go one step back and rethink the whole concept of filmmaking. Nowadays the number of festivals and movies can be overwhelming. By going back, I mean making things on a smaller scale, making them more appropriate for the local community and situation.” (J. Gusmão, personal communication, October 31, 2021)

With more tailored content, another issue that the independents are facing can be solved. Lately, the highly realist and sometimes heavy content of independent movies has been regarded as too murky, depressing and sometimes even boring by the general audience (Čelar, 2021). This mindset has created a vast gap between the artistic creation and the viewers that stopped giving a chance to local productions (Gusmão, 2021). Solutions for these issues are various and not necessarily exclusively held offline – that’s why this issue was previously mentioned (5.1.1). However, one of the possible solutions goes again in the direction of acting locally, understanding what themes the local customers would like to see on the big screen and again join the screening with a round-table discussion or other type of accompanying activity. What is more, educating the young population of the importance of film as a cultural activity can be key for the independents too. One of the interviewees noticed that a lot has been done in terms of understanding what piracy and other illegal ways of streaming movies do for the artist (Luzar, 2021). Thus, a practice such as the one from The Slovenian Movie Base of going organizing movie screenings for pupils and a Q&A session afterwards creates a deeper appreciation for what moviemaking is and how each pupil, and later each adult, can personally do to support the industry (Luzar, 2021).

6 Discussion

In my quest to find an answer to the question whether and how the independent moviemakers would survive in the digital age, I collected rather interesting data. The findings that I obtained point in different directions, however the bottom line of all is rather similar. There were interviewees who saw the future entirely online, some saw a hybrid version and others believed that the core of film industry will remain offline. However, there was no doubt that the independent filmmakers would survive, one way or another. Comparing those findings to the information listed in the literature review, it seems like the situation on site is quite a bit more optimistic about the future. Previous research points at the linguistic fragmentation of the European film market – making it hard to locally tailor the content and become more lucrative (Pardo & Sánchez-Tabernero, 2012); the unwillingness of the audience to come back to the cinema in the times of the pandemic (Clark, 2021); the oligopolistic status that the US hold in the film world (Lorenzen, 2007); the feeling of disinterestedness among the general population for the indie film (Ortner, 2012) etc. It is true that my findings do confirm some of the challenges found in the relevant literature – like levels of hardship when it comes to attracting the viewers to see national, art-house movies or the dominance that Netflix has established in the market. Nonetheless, the interviewees are rather enthusiastic about the practices that MUBI, being *the* VOD platform for indie film, is implementing, or about this year's turn up to smaller, boutique festivals that they noticed. What is more, most of them mentioned the fact that they see a great opportunity in digitalisation, due to its help with making this niche market available and accessible to a wider audience and the democratization of the equipment that they observed. Additionally, the interviewees – the directors as well as producers – see the endangered position that cinema found itself in, but they, at the same time, have no doubt that it will survive in one way or another and stay a place where independent moviemakers exhibit their works. A common consensus that emerges from my interviews demonstrates that cinemas have lost their role of being the exclusive place that offers film screenings, however it didn't lose its power to deliver a non-replicable experience. While film enthusiasts have the option to access most of the movies anywhere in the world at any desired moment, they rarely have the opportunity to sit among fellow moviemakers in the comfort of a dark cinema hall.

Thus, the bottom line of my research boils down to the following finding: digitalisation represents both a threat and an opportunity for the independent moviemakers. In order to catch up with the fast pace and with the VOD giants like Netflix and Amazon, the independent film

industry must rethink its existing business model, and, most importantly, rethink its value proposition.

7 Conclusion

The aim of this research was to find an answer on how independent moviemakers can survive the digital age. I studied 6 independent filmmakers – directors, producers, distributors, editors – and discussed with them the main issues and challenges that the digital era brought with itself and the main opportunities for successfully managing those challenges as well. While my results are very close to the previous literature on the matter, they show a more optimistic mindset towards the digitalisation of the sector. My research also confirms the fact that digitalisation has forever reshaped the film industry and that the independents will have to keep in step with the novelties that the digital sphere is bringing. However, I also contribute to acknowledge that the transformation of film industry's business models needn't take solely the online route – the transformation will come both in the online and the offline sphere.

Nonetheless, the research faces some limitations too. While most of my interviewees are on the younger demographic scale, it is important for the future research to mainly keep in mind the young generation and what their expectations and desires for consuming indie content is. What is more, perhaps getting an opinion of someone outside the industry or of someone who hasn't developed a strong affection to art-house film would be useful to understand what would attract a wider audience. In a future study, I could also analyse more closely geographical areas outside Portugal and Slovenia, and perhaps understand what the main reason behind France's success with national film industry is compared to other European markets.

The reshaping of value proposition that I proposed is not without limitations as it doesn't have a specific institution in mind in order to locally tailor the offerings. Finally, the model should be applied widely enough for the sake of truly understanding its empirical implications.

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9 Appendices

9.1 Appendix 1: Secondary data collection

Type of Source	Title	Date Published	Publication	Author
Podcast	Baza slovenskih filmov	16 th February, 2021	Filmarija	Matevž Luzar
Podcast	Filmska priporočila, ki niso filmi	18 th May, 2021	Filmarija	Urša Menart
Podcast	Efe Cakarel on Kubrick, the Economics of Streaming and Why Arabs Love Turkish TV Shows	6 th June, 2015	Between Worlds	Mike Walsh
Podcast	Cinema on Demand	13 th January 2016	The Art of Film Funding	Carole Dean
Article	The Streaming Era Has Finally Arrived. Everything Is About to Change	19 th November, 2019	New York Times	Brooks Barnes
Article	GRANTS: Romanian CNC Gives Biggest Grant to Minority Coproduction Quo Vadis, Aida!	22 nd October, 2018	Film New Europe	Iulia Blaga
Article	Most Americans Are Not Comfortable Going Back to a Movie Theatre in April, According to a New Survey	31 st March, 2021	Insider	Travis Clark
Article	Image Problems	10 th March, 2010	New York Times	David Denby

Article	The 10 Most Expensive Movies Ever Made	22 nd April, 2021	Mental Floss	Michele Debczak
Article	Delivering European Cinema Globally	31 st August, 2018	Creative Europe Desk UK	Creative Europe Desk UK
Article	Audience in Mind	2014	Cine-Regio	Michael Gubbins
Article	The Current State of MUBI	16 th April, 2021	The Streaming Blog	The Streaming Blog
Article	Movieday, the Platform for the Future of the Distribution System	14 th September, 2021	Eleonora Viviani Creative Affairs	Viviele
Interview	Interview with Ted Sarandos Carsey-Wolf Center at UC Santa Barbara	June, 2012	UC Santa Barbara	Ted Sarandos
Interview	Bobby Alen: "At MUBI we build loyalty and invest in long term"	11 th May, 2017	Nordisk Film & TV Fond	Annika Pham
Festival Webpage	Rules for Entry	21 st June, 2021	RIFF – Rome Independent Film Festival	RIFF – Rome Independent Film Festival
Festival Webpage	Film Submission Rules and Regulations	2021	Sarajevo Film Festival	Sarajevo Film Festival
Festival Webpage	Submitting Your Project to the Sundance Film Festival	2021	Sundance Institute	Sundance Institute

Source: the author

9.2 Appendix 2: Coding table and examples

Code	Interview 1	Interview 2	Interview 3	Interview 4	Interview 5	Interview 6
Topical Problems	That's why young filmmakers must sacrifice literally everything at the beginning of their career in order to make it and achieve a stable situation.	"It's embarrassing what kind of wages we pay the people, there is such a discrepancy between their work and between what they are paid."	"We don't have as much support; ICA is very centralized. There are always a lot of issues when it comes to getting money from those entities, because they have to support a lot of people..."	"I feel like moviemakers cannot really be lucrative without going into a more commercial creation."	"Our problem is that we are not involved only in filmmaking, but other commercial stuff to – like commercials – so we can't dedicate all our time to festival-going and networking."	"People are just not interested in the independent movies, and they won't pay to see them."
Tensions Hollywood vs. the Independents	"Having your movie on the Oscars is of course a big success for any movie maker! The problem, however, is if Jasmila's next movie would be a Marvel one talking about made up superheroes. That means you sold your philosophy to capitalism."	"A Portuguese movie with an aggressive marketing strategy will still attract 3x less spectators than a James Bond movie in a Portuguese theatre."	/	"I think they [Amazon and Netflix] used to be perceived more as a threat some years ago, while now I feel like there are more independent productions appearing on their platforms too."	"Of course, a lot of their [Netflix's] content is based on the metrics that they observe. But they are also daring to go into a field that a television would never dare going."	/
Independents	"To be honest, the way I see it, I could hardly call anyone in our region (and by our region I mean Europe) non-independent."	"Co-productions are [for the independents] actually one of, if not the, best ways to do movies today."	"At the end of the day, we're two independent free-lancers working together."	"I'm a freelancer, so I don't have a contract with any company."	"There are many actors out there that are waiting for projects and if they feel a connection to your story, they'll be on board."	"You have to be careful with the definition of who an independent moviemaker is. Many people think that a content coming that became mainstream cannot be coming from an independent moviemaker."
VOD Platforms	"Oh, and there is a brand new platform in Slovenia! The idea behind it is to create an online library where anyone who has a library subscription card."	"Besides having a movie in the cinemas, you can of course also sell your film directly to an online platform."	"The thing that I believe differentiates MUBI the most is their curation of the movies, their efforts to do really high-quality retrospectives of certain directors or certain themes that they explore."	"Yes, it [VOD platform] gives basically anyone the option to post online their creation and perhaps attract a viewer that otherwise would never stumble upon a certain movie."	"They [VOD platforms] are the best thing that has happened to the industry in the last 20 years."	"Netflix doesn't care about small independent moviemakers."
Offline Distribution	"...Sundance, which is without a doubt the indie festival..."	"You have to first launch your film (usually it's on a festival, if it's an independent film) and then you build a strategy of how you will further distribute the"	/	My wish would be to see as much of it offline, people socializing after a movie, chatting about a movie in-person, rather than reading comments about	"Networking at festivals ensures you get to more festivals and perhaps even get VOD deals."	/

		film. Besides having a movie in the cinemas, you can of course also sell your film directly to an online platform. I believe that you should do the distribution in the cinemas before going online.”		your movie under a post.”		
Future	“It’s all about the experience rather than the product that a cinema offers. [and that’s why people will still be going to cinemas]”	“I see the future of cinema completely offline.”	“I think it will never be fully online. Now, with so many platforms there will of course always be people who will not leave home in order to watch a movie. On the other hand, there are movies out there for which it is a crime to watch it at home.”	“I think in reality the future could be heavily online.”	“We need to find stories that will attract the audience.”	“People will always be watching what interests them – doesn’t matter if it’s Netflix or art-house cinema. You can’t change that.”
Cinemas	“Cinemas will probably not have their on-demand platforms in the future, as they want to attract the audience to physical halls.”	“It’s difficult, but Cineclubs and other smaller cinemas around the country could be a solution [for distributing movies to a broader audience] in this sense”	“It would be even better if I got to see those [the ones I missed] movies on a theatre screen, like renting a movie hall and seeing any movie that I want.”	“Regarding cinemas – the big ones, Cineplex, will probably survive. You don’t only buy the ticket, you also buy popcorn, coke, and that’s where they make their profit. But smaller art-house cinemas I think are endangered.”	“After the festival distribution, you enter the cinema sphere or arrange different screenings for some events.”	“Just because you have an affinity towards going to the cinema, it doesn’t mean that the same goes for the rest of the audience.”
Acting Locally	“They [cinemas] should strive to become social hubs for the local community whose charm isn’t only to watch the movie on the big screen.”	“By going back, I mean making things on a smaller scale, making them more appropriate for the local community and situation.”	“There is also a new production studio that opened in Algarve which is a partnership with an English production studio. I think that is going to change things a bit – it will bring a lot of people from the industry to Algarve.”	“And that’s exactly what a festival should do – merge the local culture with the foreign. Thus, I think in the future there could be more smaller festivals like this one emerging.”	“Netflix doesn’t want to work on such a small, local scene – even the Balkans is too small for them.”	“The boys managed to come up with a successful movie because they interacted with the local audience on YouTube for years.”

Source: the author