

**MENDEL UNIVERSITY IN BRNO**

**FACULTY OF BUSINESS AND ECONOMICS**

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**Proposal of marketing strategy for multimedia  
production companies**

**Diploma thesis**

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I declare that this diploma thesis is my own work, which was written individually based on the sources stated in the references.

Brno 24th of May 2013

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## **Abstract**

AL FAROVÁ, K. *Proposal of marketing strategy for multimedia production companies*. Diploma thesis. Brno: FBE MENDELU in Brno, 2013.

This diploma thesis examines the strategic marketing of multimedia companies. The main objective of this work is to propose a marketing strategy for companies operating in three different regions, it mainly examining Arabic speaking countries, therefore a basic market analysis is performed on movies and commercials and it is compared with European and American. In addition, as an application of this topic a selected multimedia production company was analyzed in order to develop an appropriate marketing mix, with emphasis on choice of appropriate distribution channel and promotion. Furthermore, a draft of a structured low-cost budget was constructed and recommendations for the entity and others operating in this industry was proposed.

## **Keywords**

Consumer behavior, strategic marketing, film industry, MENA region, distribution channel, promotion.

## **Abstrakt**

AL FAROVÁ, K. *Návrh marketingové strategie pro produkční společnosti multimédií*. Diplomová práce. Brno: PEF MENDELU v Brně, 2013.

Tato diplomová práce se zaměřuje na strategický marketing v multimediálních společnostech. Hlavním cílem této práce je navrhnout marketingovou strategii firmám, které působí ve třech odlišných regionech, zejména zkoumá arabsky mluvící země. Za tímto účelem byla provedena základní analýza filmů a reklam v těchto zemích a ty byly porovnány s evropskými a americkými zeměmi. Kromě toho byla také zhodnocena aplikace tohoto tématu do vybrané multimediální produkční společnosti a vytvořen vhodný marketingový mix, zvláště pak z hlediska volby vhodného distribučního kanálu a propagace. Také byl sestrojen návrh strukturovaného nízkonákladového rozpočtu a navržena doporučení pro ostatní firmy působící v tomto odvětví.

## **Klíčová slova**

Spotřební chování, strategický marketing, filmový průmysl, region MENA, distribuce, propagace.

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# 1 Introduction

*“There are three kinds of companies: those who make things happen; those who watch things happen; and those who wonder what’s happened.— Anonymous” (Kotler, 2001, p. 3)*

Entities always look for the best marketing strategies that can be applied by them in order to compete and survive in their industry, therefore each entity should consider consumer behavior and trends of the marketplace in which the entity operates in, as these elements are in continuous change especially nowadays with the presence of forces that can strongly drive such changes like for example technology and globalization. So it is important for companies to keep on tracking such changes and act accordingly as today’s marketing strategy doesn’t have to be applied in the future.

Multimedia industry is a part of mass media industry in which it is mostly focused on production of broadcast media. So it is interesting for me to examine such industry that can offer differentiated products to dual markets, products that are offered to final users, for example films, and products that are used as a marketing tool for other entities such as advertisements.

Film industry is rather an important element in world’s economy as it belongs to services under the entertainment sector and it is considered to be one of sectors that generate high profits, however it is not much of discussed topic among productions due to the dominance of American films around the world, and inability of most of independent production companies to dominate or highly compete for their markets. Furthermore, independent filmmakers are still challenged in developing higher demands among consumers for their films. Therefore, I feel that filmmaking industry is considered among independent production to be more or less a risky business and I think it is interesting to know the reasons behind the challenges that are facing filmmakers and more important is to find some solutions that can proposed to these filmmakers in order to develop a better position on their markets and to be able to compete more. Therefore this thesis examines more than three regions that each has different situations and trends in film industry.

This thesis is elaborated from the marketing point of view because each film is a new product which needs to be positioned, promoted, and exhibited to consumer in relatively short shelf life. Thus film marketing has an important role in film industry and needs to be well planned and executed in order to generate profits from this business. Therefore it is very important to consider the budget that is needed for such intense marketing activities for short period, however marketers don’t have to apply high budgets like Hollywood does and I am sure that most of producers don’t even have such budgets. So in order

implement the right marketing strategy, filmmakers can apply marketing research that can help them to develop their marketing plan by targeting their segments and apply the methods that consumers prefer to use for knowing about a new release, and distribution channels they like to select. Also marketing research can provide information for marketers about consumer's attitude towards their industry and can help in discovering way to approach, connect with and motivate consumers to watch their film especially in cinemas.

Another important aspect that needs to be taken into account by independent filmmakers is the importance of their dual market in generating financial means for their film marketing activities, where it can be done via providing various products to customers such as television series, programs, and commercials. According to my interest and small experience with the company Shashat that has produced its first feature film, I noticed the importance of commercials in generating profits that can be used in their film marketing as this type of service takes relatively shorter time to be developed and produced thus it can be used as a source of financial means needed for film marketing.

For me multimedia industry is a unique business which should be more examined and discussed not just from the economic view but also from the marketing perspective as this industry partly reflects the culture in visual form and also provides an interesting service for consumers. Therefore my interest is to bring an attention to it and try to suggest some recommendation for companies operating in this type of business.

## **2 Objectives**

The main aim of this diploma thesis is to create a proposal of marketing strategy focused on films and commercials production for multimedia productions companies. Selected strategy will mainly be concerning marketing activities that can be implemented in three selected regions which are America, Europe and Middle East.

As partial objectives of thesis, Arabic speaking countries will be mainly examined where a market analysis will be performed for MENA and the Gulf region in relation to the films and commercials markets where differences in trends and culture will be mentioned and compared with the European and American markets. In addition to the market analysis examination, a case study of multimedia company that had produced film and also is engaged into commercials business will be applied for this topic. The company will be analyzed in order to suggest its market segmentation – including targeting and positioning. There will be an emphasis on the differentiation between B2B and B2C in relation to commercials market and films market. Furthermore, an appropriate communication mix and distribution channel will be suggested for the company with a draft of a structured low-cost budget for the new film marketing activities that will be performed by the respected company, also as a final part for the case study an environmental analysis will be performed in order to suggest recommendations that are needed for the entity.

As for the final part of results, a proposal of recommendations will be performed for other entities in general that are operating in multimedia industry and are producing films and commercials among the selected three regions.

## 3 Theoretical part

### 3.1 Definition of marketing

One the most recent commonly quoted definition of marketing is that “*marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, client, partners, and society at large.*” (The American Marketing Association, 2007)

This definition doesn’t recognize marketing as a function but rather as a set of practices within an organization. Also, along with many theories it centralizes on the idea of *value in exchange* which is from the perspective of producer (Kerrigan, 2010).

Kotler and Levy (1969) emphasized that the concept of marketing should not be focused too narrowly rather it should include all types of organizations without avoiding or undertaking marketing activities. Over the years, it can be noticed that his point of view is being considered; as various definitions of marketing are being constantly modified according to a broader scope of marketing. (Masterson and Pickton, 2010)

Vargo and Lusch’s (2004) paper focused on a new perspective that concerns intangible resources in services provision rather than goods being fundamental to economic exchange were consumer helps in co-creation of value and the relationship with supplier. According to Kerrigan (2010) film marketing should be engaging in the presumption of “*value in use*” rather than on “*abstract value*” as films can play a number of roles in each individual, but in order to articulate that value, the film must be first consumed. Therefore, when conducting a market research its aim is to find out what that value is.

Film marketing is defined by (Durie et al, 2000, s.5) as “*any activity that assists a film in reaching its target audience at any time throughout its life*”. Film consumption can be seen as a cyclical activity, were it can be inspired by other cultural products, and such as books, music etc. At the start value creation begins when consumer becomes aware of a film at that point his consumption doesn’t have to end by watching it but it can extend further through reading online reviews, discussing the film with friends or family, seek for soundtracks or artists of the film, or even progressing with his consumption to other related films (Kerrigan, 2010).

### 3.2 Marketing planning

Marketing planning has become a major activity in many organizations, because of its importance in the improvement of both coordination and performance within the entity (Lehmann and Rusell, 1988) via utilizing resources,

minimizing unexpected crises and aligning executives on a set of actions and objectives (Dibb and Simkin, 2008).

An operational document is used which contains the guidelines needed to achieve goals, this blue print is called marketing plan, and has the following objectives to (Lehmann and Russell, 1988):

1. Determine the current business situation.
2. Identify opportunities and weaknesses facing the business.
3. Establish aims and objectives.
4. Establish strategies and programs in order to implement the plans and achieve the objectives.
5. Allocate responsibility to respected business center objectives.
6. Set schedule for achieving objectives.
7. Support discipline and encourage thinking.
8. Determine customer orientation and competitor's orientation.

In order to formulate a clear strategy that corresponds with organization's mission, vision statements and objectives; marketers should analyze target markets, their existing customers, competitors and trends (Dibb and Simkin, 2008).

Furthermore, to implement strategy, marketers should stress on the best possible marketing mix combination (Bachmann and Lacina, 2007). However, the costs connected with implementing marketing planning should be calculated and adjusted throughout the program (Dibb and Simkin, 2008).

### **Mission statement**

Mission statement describes the purpose of an organization existence in society. It explains the core and domain of the organization – including targeted customers, products/services it intends to supply; and location where it conducts its operations (Bachmann and Lacina, 2007). Mission statement provides managers and employees, also customers a shared sense of direction and opportunity, were it can be at its best when it tries to reflect a vision (Kotler, Keller, Brady, Goodman, Hansen, 2009)

### **Vision statement**

Kotler, et al. 2009 states that vision is as an almost “impossible dream” that is desired for the future. A vision points a way to help people's heart and minds to engage and achieve beyond organization's present tasks and responsibilities (Silber and Kearny, 2009).

### **Objectives (goals)**

Objectives provide a clear target for the organization to achieve its vision, they are measurable, specific and implemented from year to year according to the strategy. (Silber and Kearny, 2009)

### Marketing strategy

From the point view of Horáková, marketing strategy can be characterized as a direction of process of marketing activities and decision making in a time horizon of management to find and allocate effective resources to achieve objectives, and to create and maintain a competitive advantage on the market (Horáková, 2000). In the following figure shows the key elements of marketing strategy formulation:

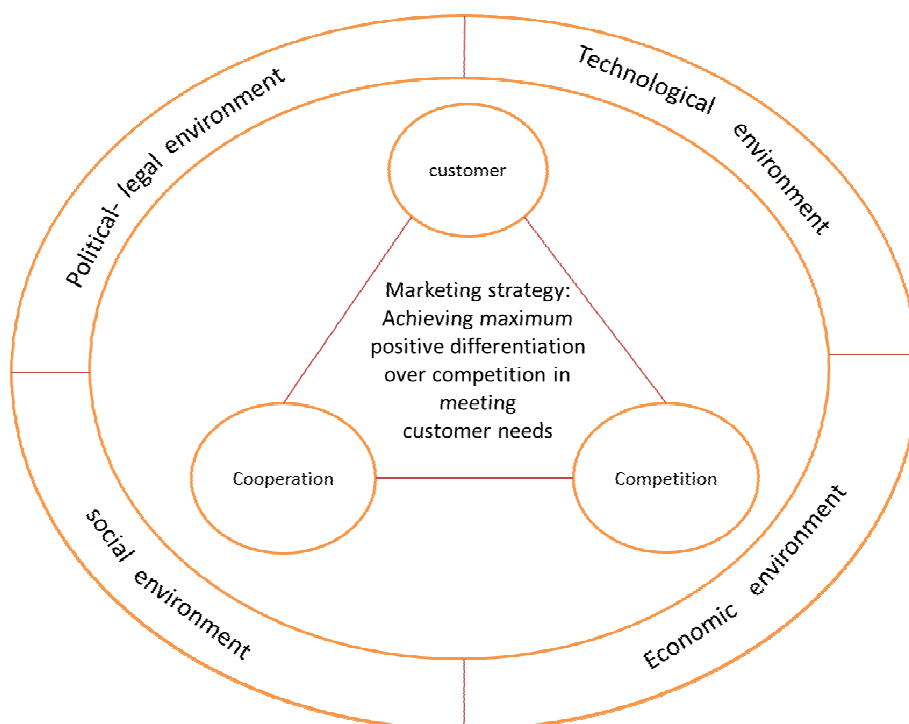


Figure 1. Elements of marketing strategy formulation, source: C. Jain, Marketing planning 2000, p.25

However, marketing strategy process is mentioned by Kotler, Wong, Saunders and Armstrong as the term *strategic marketing* which is defined as process of defining strengths of firm with group of customers that it wants to serve, this process has an impact on the future direction of the organization therefore it is important to analyze macro-environment and micro-environment. It also consists of three independent steps (Kotler et al. 2007):

1. *Segmentation, targeting and positioning* – organization divides the market into segments in order to choose and target the segment/s they can serve the best so that products will obtain an identity in consumers mind.

1. *Customer relationship* – the key to build a strong loyal relationship is to create products or services that's value is higher than competitors and provides customer satisfaction.
2. *Competitive strategy* – is established based on competitor's analysis, and company's current position among its competitors. Organizations can set their market positions via different strategies, such positions are: market leader, challenger, follower, nicher.

### 3.3 Types of marketing strategies

There are different types of marketing strategies which can be applied by each enterprise according to its unique nature. These types should be chosen right in order to serve best in achieving its goals. The followings are the main types of marketing strategies.

#### Kotler's competitive strategies

When considering the market there are four defined strategies of how an organization can set its market position:

- Market leader – has a dominant position within given industry or segment, this can be achieved through innovation or through market expansion as leader tends to gain the largest share on the market.
- Market challenger – seek for aggressive pursue of market share to become leaders so they present a challenge to the market leader by attacking them via long-term war of attrition. Also challenger can select specific competitors that are weaker to pick- off their unsatisfied customers, and thus to enhance their market position.
- Market follower – they tend to follow the market leader by copying the actions and products offered on the market, their typical strategies are *duplication* of products to the last detail; and *adaptation* of basic product offering and adding improvements to it, so that they can differentiate a bit from the original offer.
- Market niche – focus and specializes on specific market segments. Niche players mostly adapt the *focus strategy* to gain competitive advantage in specific target groups.

All industry players use offensive (attacking) and defensive strategies against each other for the market share so that they are able to gain, retain their market share and protect their market positions.

#### Porter's generic strategies

Porter (1998) and Drummond et al. (2012) identify three generic strategies, these are:

- Cost leadership – requires construction of efficient economies of scale facilities, low overhead costs and costs minimization in different areas as it sets the organization on a low-cost structure to yield above-average returns in the industry. However, this strategy requires high relative market share, upfront capital investment, and maintenance of wide line of products.
- Differentiation – is mainly about creation of products that are unique from competitors and able to offer the organization an opportunity to command a price premium because of its ability to create a defensible position for coping with five competitive forces. This strategy focus on creativity, flexibility and innovation.
- Focus – concentrates on specific market segment and tries to generate the position of market leader or at least to have a big market share within the defined market. Focus strategy is based on factors such as *geographical segmentation*: offer product in specific geographic areas, *end-user focus*: focus on final user rather on the entire market, and *product line specialization*: focus on single product type in terms of skills, range and volume.

Porter's view of organizations that fail to develop at least one of the generic strategies is mostly caused when the organization tries to pursue all three strategies thus resulting of an extreme poor strategic position "stuck in the middle" – either of low cost, differentiated or focused. The organization will lack the market share, profitability and capital investment.

Therefore, it is important to decide which of the generic strategies is appropriate for the organization to achieve competitive advantage, and in order to make the right choice a structural analysis should provide the necessary information that helps to pick the strategy that is best suited to organization's strengths.

### **Ansoff's matrix**

Ansoff's matrix helps the organizations to determine their strategic direction as it focuses on the growth of the organization through increased sales opportunities (Masterson and Pickton, 2010). It provides a useful linkage between markets and products. The matrix identifies the following four quadrants:



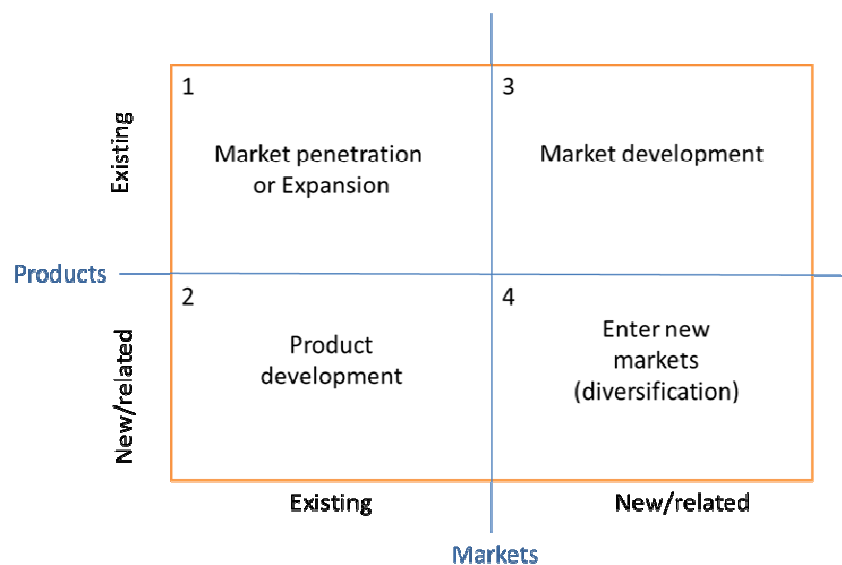


Figure 2. Ansoff's matrix. Source: Masterson and Pickton, Marketing: An Introduction 2010, p. 465

The first quadrant represents *market penetration or expansion* as its focus on existing products in current markets so its aim to increase sales from existing customers through intense marketing drives through factors such as competitive pricing, advertising, etc.

Second quadrant emphasizes on *product development* which its strategy involves updating product portfolio by developing new products or improving them and marketed to existing customers in order to remain competitive.

Third quadrant is *market development* that aims to find new markets for existing products. This could be done by finding new geographic markets, distribution channels, or even by finding new uses for the product.

The last quadrant represents *diversification* strategy which involves taking new products into new markets, so moving into unfamiliar business area and activities which may spread risk and potential failure. However diversification works best in related activities where there is close match with existing experience (Masterson and Pickton, 2010).

Diversification strategy has become a necessary part of corporate strategy for media companies as most strategic decisions include both geographical and product diversification (Picard, 2005). Related product diversification strategy is likely to be preferred on “intangible”, “content-based” media products which can be stored and presented in related formats, as the organization can benefit from the marketing know-how and different usage of available production resources. Furthermore, to achieve the advantage of geographical diversification cultural and system regulatory differences in many different markets should be considered, thus geographically clustered countries with similar stages of media

systems help in cooperation and may lead to cost and resources sharing benefits (Chan-Olmsted, 2005).

### **Strategic marketing mix according to Robins**

Robins sets his argument that marketing mix “4P” can be only controlled internally by the organization, which is according to him this view is insufficient and must be filled with strategic marketing mix, which includes “4C” – customers, competitors, capabilities, and company. The difference in this model than the classical marketing mix should help marketers to consider the mentioned factors into their objectives when formulating a marketing strategy (Hanzelková et al. 2009).

### **Marketing strategy analysis**

Marketing strategy analysis is the analysis of consumers, competitors and markets to establish strategies for existing, new products or services, and markets; it is focused on analyzing the changing environment and creating value to stakeholders (Bidgoli, 2010). Some of the tools used to develop marketing strategy analysis are:

- *Benchmarking*: a continuous process based on observing and analyzing own results to compare them with competitor's results in terms of quality of products or services, production procedures, operations, marketing activities and other. It concentrates on selection and comparison methods and ideas which are used by others. It helps the organization to improve its own efficiency or quality. There are five types of benchmarking: internal, competitive, functional, generic and reverse (Jakubíková, 2008).
- *Customer analysis*: the structure of the analysis consist of identification of general characteristics of buyers and users of the product or service (segmentation); identification of the product uses and importance of the usage. Estimating benefits and effectiveness of the product in the situation (customer value); and determination of customers purchasing behavior and motivation of consumption (Lehmann and Winer, 1988).
- *SWOT analysis*: this analysis provides information about the internal environment (strengths and weakness) and external environment (opportunities and threats) so that marketers determine their goals by using their strengths to capture the opportunities, and minimizing threats and organization's weaknesses (McDonald and Wilson, 2012).
- *Cross-cultural consumer analysis*: the study of attitudes, values, customs and language of other societies (Mowen, 1990).

### 3.4 Importance of consumer behavior and cultural influence on consumption

Consumer behavior can be identified in various ways were according to Solomon (2004) consumer behavior is a study of individuals or groups with the impact of mental, emotional, physical and social involvement on an on-going process of selecting, purchasing, using or disposing of offered products or services, in order to satisfy their needs and desires.

It is necessary to find answers to consumer's behavior in terms of what, how, when, why, where and how often they use the products and services.

Consumption in the modern field of consumer behavior depends more on the meaning of the product to the consumer, and on the relationship between them rather than on the task it performs. The basic functions of products are still important, but the role of products rather extends beyond their function in our lives. Along with the traditional consumption activities such as consumption of basic needs, we can distinguish other activities into four main types (Solomon, 2002):

- *Consuming as experience*: objects are consumed with an emotional or aesthetic reaction.
- *Consuming as integration*: the consumption of objects that express part of our character or society, as the consumer is more involved into the learning and experiencing of the object to be part of that society.
- *Consuming as classification*: consumer is engaged into activities that are considered to communicate with objects, both to self and others. These activities have an effect on how others see us and where we belong among them.
- *Consuming as play*: objects are used in order to participate with a group in a mutual experience where consumers merge their identities together in that group.

One of the important parts of consumer behavior process consist of consumption process from the consumer's perspective, where during this process we can identify issues that can arise and influence consumer's decision before, during and after a purchase. It is illustrated in figure.3

Therefore the study of consumer behavior helps organizations to decide for an appropriate marketing strategy that satisfies their consumer's needs and also helps them to gain a competitive advantage over others in their market. So the collection of data related to consumers assists marketers to analyze the market they operate on and other markets they seek to enter, furthermore these data can be used to help in the determination of possible threats and opportunities that can affect consumers behavior towards their products or services in that market.

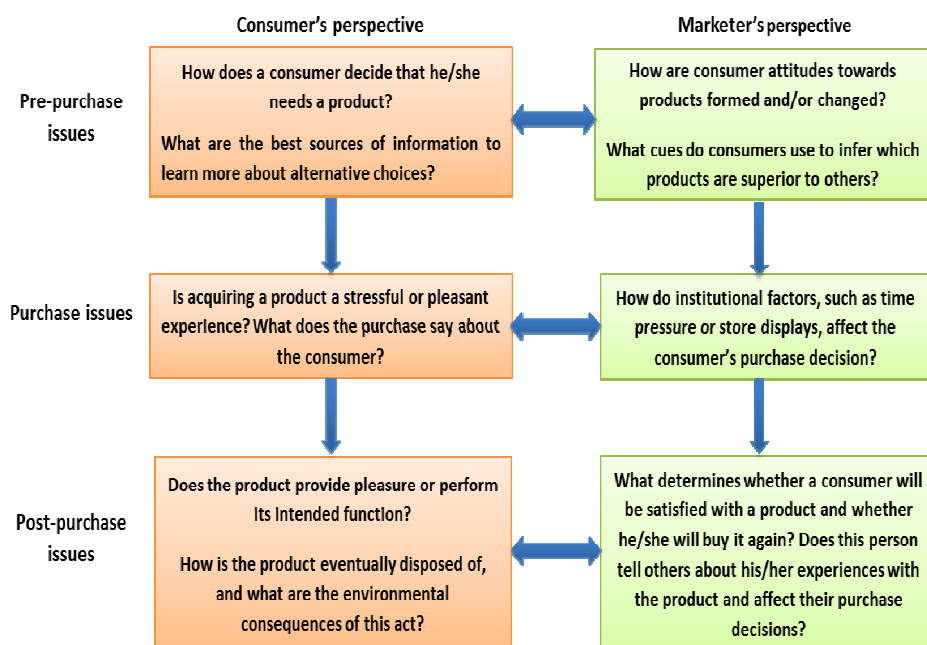


Figure 3. Issues that can arise during stages in the consumption process. Source: Solmon, Consumer behavior, 2004, p. 8

## Culture

Culture can be defined as “*interactive aggregate of common characteristics that influence group’s response to its environment.*”<sup>1</sup> Marketers should consider culture to be dynamic, as it adapts to changes of the surrounding environmental factors such as economics, politics, technology, etc. Thus it can lead to marketing opportunities or disasters. Consumers can use goods or services that have a cultural meaning to them; in a way it represents them to others (Mowen, 1990).

According to Hofstede (1984), culture has different dimensions that explain the variability among cultures in different countries. These four main factors are: Power Distance Index (PDI), degree in which interpersonal relationship among members of society power is unequally distributed, as the degree to which less powerful members accept the power according to their position in a hierarchical order. Other factor is Avoiding Uncertainty (UAI) expresses the degree to which members of society are uncomfortable with uncertainty and ambiguous situations. This leads them to believe that institutions help them to protect their conformity and promise certainty, where the dimension Masculinity versus Femininity (MAS), masculinity stands for a preference in

<sup>1</sup> MOWEN, John C. *Consumer behavior*. 2. ed. New York: Macmillan Publishing Company, 1990, ISBN 0-02-946269-X, page 581.

society for accomplishment, assertiveness, heroism and material success. And its opposite is femininity represents preferences for cooperation, modesty, giving attention to weak and quality of life. The last dimension is Individualism versus Collectivism (IDV), individualism focus on assessment of the emotional independence as individuals are expected to care only about themselves and their closet relations, so with respect groups or organizations there is an absence feeling of “us”. Opposed to collectivism as individuals belong to group so their goals are dependent to those of they are part of that group. Therefore these dimensions can explain the differences among consumers in which make them behave differently when comparing different cultures.

Within a culture there are found smaller groups or segments whose values, trends, norms and patterns are set away from the main stream of the larger culture, these subcultures can be based on such as age, religious, geographic differences. These two factors along with other number of environmental influences, play an important role in consumer’s decision making, these factors are illustrated in the following figure 4 (Belch, 2009).

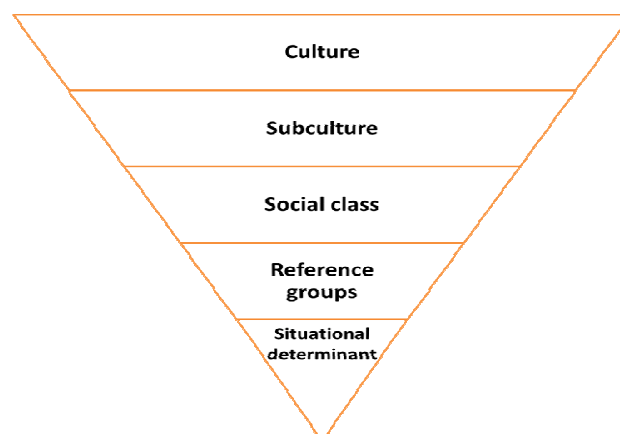


Figure 4. External influence on consumer behavior. Source: Blech, advertising and promotion, 2009, p. 134

There are other factors that can influence consumer behavior such as *social class* a group of people who share similar lifestyle, values, interests and behavior, also they the structure of classes can be determined by income and educational level. Because of the existence of social class groups; marketers are provided with basis for marketing segmentation, they response to the degree of differences among these social classes through positioning their products and services and use advertisements that are tempted to be appealing to targeted class (Blech,2009).

According to Broekhuizen *et al.* (2011), their paper accounts for cultural differences in the consumers’ susceptibility to social influence, where social influence has long been recognized as an important force shaping consumers’

product evaluations and purchase decisions especially for publicly consumed, conspicuous products like films.

The normative influences is focused on in-group influences. While reference groups with high credibility like film critics can be considered as a source of information which its influence on consumers is uncertain or uninformed, whereas family members and friends influence is rather normative as they tend to be sources for utilitarian and value-expressive functions, it starts as recommendation to watch a film, so consumers conform to the opinions and evaluations of others by watching the film. Therefore these normative influences are “universal” and can be seen in all cultures, but there are differences in the extent and aspects with which consumers practice them from country to country and from culture to culture (Broekhuizen *et al.*, 2011).

Other factors that can influence a consumer can be situational, as there are three types of situations in which consumer’s behavior and preferences are directly affected by them, first is specific *usage* situation – refers to the circumstance in which a product will be used. Next other situation is *purchase* in which the environment has a direct effect on the decision at the time of the purchase. The last factor is the *communication* situation which the most relevant to promotional strategies where the impact on the consumer will differ according to the situation that brings his/her attention about the product or service (Blech 2009).

### 3.5 Market segmentation

**Market segmentation** is a process of dividing customers or potential customers within a market into different groups within which customers share homogenous characteristics. Companies can apply their marketing strategies easily after doing the market segmentation, therefore companies either identify a specific segment in order to provide them with products and services that meet their needs, or they find their market segment by identifying their most faithful customers (Solomon, 2004). In many cases marketers intend to target a number of market segments and in order to do so, they need to characterize different segments according to the following variables:

- *Demographics* – means segmenting the market according to statistics that measure observable views of a population, such as age, gender, religion, income, social class or occupation. Marketers have a great interest in gathering information about the changes and trends in demographic studies as the data obtained can be used to locate and predict the size of the markets for many products and services.
- *Geographic* – dividing the market into different geographical sectors, these sectors can be continents, nations, regions, cities or even single streets. Due to presence of various climates, resources and cultures in these different areas; geographic causes a decisive role in forming consumption patterns and trends which can change over time as a result of interaction and

integration with other cultures. However, when segmenting a region (i.e. Europe) there must be taken into consideration similarities and differences in consumption between different cultures or subcultures.

- *Psychographic* – segmentation is based on consumer's personalities, beliefs, and tastes, where the description of individuals is based on psychological and social psychological factors. These factors influence consumer's lifestyle and are used to explain why individuals have the propensity to consume certain products, use services or media, and spend time in certain activity.
- *Behavioral* – is based on buyer's behavior towards a product or a service, where buyers are split into smaller groups based on variables– knowledge, benefits, user status, usage rate, loyalty and occasions of purchase. Lately marketers believe that these behavioral variables are the best starting point for building market segments.

After the identification of market segments, the organization proceeds with a process called **market targeting** where the organization chooses to approach one or more segments after evaluating each of market segment's attractiveness. Segments that promise to be profitable as well as the company is able generate and maintain greatest customer's values are targeted. Market targeting can be also influenced by the organization's strategy and resources; where for companies with limited resources can choose few special segments. However when entering a new market the majority starts with serving a single segment and after success they seek for more coverage. On the other hand large companies try to serve all segments on the market (Kotler and Armstrong, 2004).

Once segments have been selected and targeting decision made, the next step is to consider how and where the products will be positioned within the target segments. Positioning focuses on decisions and activities used to create and preserve product concept in customer's mind (Dibb and Simkin, 1996).

**Positioning** can be defined as the act of designing the company's offering and image to occupy a meaningful and distinct competitive position in the minds of the target market (Kotler, 2009). The tasks of positioning is to identify a set of competitive advantages, then to choose the right ones among the determined competitive advantages in order to select an overall positioning strategy (Armstrong and Kotler, 2009). The most accepted way of developing a positioning strategy consists of the followings (Egan, 2007):

- Identifying competitors;
- Understanding consumer's perceptions of competitors;
- Determining of competitor's positions;
- Analyzing consumers' needs and preferences;
- Set up a positioning strategy;
- Implementing;
- Monitoring.

### 3.6 Marketing mix

Marketing mix is an essential framework that helps to structure marketing strategy. There are many approaches to marketing mix such as 4Ps, 5Ps and more Ps. Jerome McCarthy was the first to call marketing mix (4Ps) – product, price, place and promotion. However some argue that some components were missing, such Ps are people, physical evidence and processes which were later initially added (Smith and Taylor, 2004).

There are three factors to take into account when establishing marketing mix in a business plan: consumer behavior, strengths and weaknesses of the organization, and type of competition by **product's life cycle** analysis (Burrow and Bosiljevac, 2011). When examining the life cycle of a film after the stages of development and production, the cycle continues with exclusive premiers that are screened to only critics and distributors who will rate the film. The next stage is the exhibitors, where cinemas are the only medium in which the film is screened for about the first six months from the date of release. After that, the film is distributed to other media forms such as DVD, CVR, Blue-ray and TV 'free and pay per view' (Schellman, et al. 2004).

In the next sections each component of marketing mix will be examined.

#### 3.6.1 Product

It consists of products and services that are offered to target markets to satisfy customers' needs and wants (Masterson and Pickton 2010).

Media industry has a unique market situation which makes it different from other industries. Its market model is based on *dual product market* as they simultaneously sell two different types of products to two completely different sets of buyers (Hoynes and Croteau, 2005). Media products are divided into two types: media products as a final product for publication sold to consumers and media products used as a marketing instrument for other business industries. The media which are used as a tool for the business field are then further divided into two sectors "business to business" (B-to-B) and "business to consumer" (B-to-C) (Schellman *et al.* 2004).

#### 3.6.2 Price

Price refers to what the customer should give up to buy a product or a service (Belch 2009). Where, Pickton (2010) explained that the right use of the other elements of the marketing mix can increase this perceived value therefore allowing the accreditation of a higher price.

According to Kurowski and Sussman (2011) pricing decisions can be based upon an existing structure determined by the interplay of supply and demand or on a price-oriented strategy. These decisions can be related to the objectives, costs of production, competitors, and identified market segments. There are



different approaches to pricing decisions that can be applied by the organization:

- *Demand-based*: This approach can be used when demand is high and supply is unchanged, the pricing decision may be predicated on taking advantage of demand-supply relationships. The equilibrium price will not be relevant for a period of time especially when the product is new so consumers will be willing to pay the demand price.
- *Aggressive penetration*: This approach is a strategy is used to secure market share and for an increasing demand. In order to acquire a large market share, the product is priced lower than competition so that potential customers are encouraged to buy. It's generally essential to have an intense promotion strategy. It works best for organizations with high economies of scale.
- *Psychological*: price is set artificially high and discounted to give the impression of a good deal for the consumer. Typical example of such approach is prices ending with an odd numbers (e.g., € 9.99) are a better deal than even numbers (e.g., € 10).
- *Reference pricing*: price is set in relation with consumers' views of a price connected to a product or service with high value or luxury one to provide the feeling to the consumer that the offer is in the same category.
- *Targeted*: according to different market segments or regions different pricing strategies can be applied to them, depending on specific consumer characteristics, or regional general level of wealth. Prices are set according to consumer's willingness or ability to pay in these different segments or regions.
- *Cost-based*: the calculation can be based on the desired contribution (price-variable cost) and wanted profit. To estimate profitability, the fixed cost per unit of production, which is also dependent on the level of production, is deducted, so the average contribution and fixed cost to the planning horizon can be employed.
- *Buyer-based*: this approach is mainly used when the number of clients is relatively limited so the buyer may dictate the price. According to buyer's cost structures and profitability requirements; maximum amount that they are willing to pay is set which is also consistent to their criteria.
- *Channel price buildup*: an indication of an appropriate ex-factory price can be established by the reference to the analysis of markups along the distribution channel. Starting from the consumer price, the markups at each level in the channel, costs related to handling, distribution and profit margins are taken into account; to establish the maximum ex-factory price.

There are more pricing strategies that can be used by organizations such as pricing based on competitors which as a typical benchmark for pricing decision. Pricing based on statutory or regulatory authority that sets and regulates prices, etc.

Typically in film industries, they don't provide differential pricing for final consumers. Once the film is available at a certain type of cinema the tickets cost is usually the same (except different regions can have different costs), therefore there is no difference in prices of films that have better quality or less, or between films that have high budget or low (Finney, 2010).

### 3.6.3 Promotion

Promotion can include many activities that can be used to communicate with costumers, potential customers, other target audience and the public. Such activities play an essential role in positioning products in consumers mind by informing, reminding, and pursuing buyers to purchase the product (Cravens, Lamb, Crittenden, 1998). Each medium selected for promoting a product or service delivers a message in different way to different prospects (Grossman, 1987). According to McDonald and Wilson (2012) these promotional categories can be divided into:

- Non-direct (non-personal) communication – includes advertisement, sales promotion, marketing via internet search engines, and public relations.
- Direct communication (personal) – personal selling, personal e-mailing and online discussion forums executed by the firm.

Other important categories are executed via the mass media (TV, radio, newspapers) and interactive media (websites, social media sites, call centers). In order to maximize the effect of the communication to reach the target; marketers choose either one category or a combination of more thus creating so called **communication mix** (McDonald and Wilson, 2012).

One of the important tools of the communication mix is known as public relations (PR). Every marketer should consider PR to be essential because it a mean of influencing opinions within the larger market system. It can mainly influence customers, suppliers, trade channels, and those whose actions and opinions that can have an impact on the success of the project's or organization's objectives, rather than directly contributing to sales; information is offered about the organization or the product in order to gain loyalty and attention through various forms such as public releases, press kits, social media, etc. (Kurowski, Sussman, 2011).

### **Viral marketing and interactive media**

Viral marketing is an internet-driven strategy that enables and encourages people to pass a message and engage them in the word of mouth, thus creating the potential for a rapid growth in the message's exposure and influence on others (Mohr, 2007).

According to Scott (2011) the new trend of applying advertisement and media relations is via the web, where the organization can inform about its product or service directly to their customers and consumers around the world.

People are shifting towards interactive media because it is informative and also fun to use as they can share their ideas, content and relationships online. Social media doesn't apply for B2C only, B2B marketers need to remember that they have to communicate to people, so they need to realize that their buyers are also human beings, so it's not necessary that their business must be formal all the time, so it's good to have fun-loving attitude of communication.

Also according to Pricken (2008) finds that humor reveals new aspects, as it releases happiness hormones, making humor one of the most important creative tools that can be used as a way to communicate ideas.

Social media include blogs, wikis, video and photo sharing, and many other activities. Furthermore, social media subset is social networking sites such as Facebook, Twitter, MySpace and others sites.

The advantage of online advertising and social media, customers help in spreading the message and even do one-to-one targeting instead of the organization itself, so reducing media costs and time effort. In order to spread the message marketers should consider the following (Scott, 2011, Kirby and Marseden, 2012):

- *Autonomy of buzz and viral marketing* – product alone is not enough to create a successful buzz, so in order to do such advertisements must be very creative and aware of consumer's needs because the audience is the media, there is no way to force people to share and spread the message, if they don't want to, therefore there is no guarantee to go viral, and sometimes wrong content can negatively influence the product.
- *Blogs* – bloggers are independent people who write their opinions about anything on web-based journals called blogs. It is important to notice that they focus on promoting a single point of view rather than having a balanced perspective like journalists. Therefore their view can easily influence others because many people are paying attention to what bloggers say, so it is necessary to monitor them and communicate with them to write about your product or even creating own blog.

After identifying targets and communication mix, we should consider establishing goals for the advertisement plan. In order to construct an advertisement plan we should consider the following steps (McDonald and Wilson, 2012):

- Establishing budget for the advertisement (how much).
- Identifying target group (who).
- Establishing content of the advertisement (what).
- Which media will be used to advertise product or service (where).
- The frequency or intensity of the advertisement in the media (when).
- To measure the effectiveness of the advertisement – it's the key of finding the best use of the money in advertisement.

### 3.6.4 Place

Distribution channel is a medium by which products are moved from producers and made available to consumers for use or consumption (Young, 2008). There are two options of distributions the first one is *direct distribution* where the company is selling directly to its customers, this method is frequently used by manufactures which often sell expensive products and complex products that require sales efforts and negotiations on the price, also the internet is relied upon by many companies as a direct channel of distribution. The second distribution method is *indirect distribution* as most of companies that are consumer-product entities use this method usually via using a channel of wholesalers and/or retailers (Blech, 2009).

Distribution in film industry is very important there are a number of distributors involved in promoting and releasing the film according to their territories. Generally they gain the rights to distribute across theaters, other media (DVD/Blu-ray, pay TV, free TV and via internet) and non-theatrical exhibitions, such as airlines (Schellman, et al. 2004).

There are two main types of distributors: majors and independents. Majors have vertically integrated supply chains therefore they provide worldwide coverage, and also own a number of theater chains in international markets, so they can have access to box office information of similar films. Therefore majors use this knowledge and their experience on different territories to develop a successful marketing strategy and campaign. Also they take advantage of economy of scale when making marketing materials such as posters, press kits, flyers etc. (Kerrigan, 2010).

Independent distributors usually operate within one territory; they acquire the product either directly from the producers, studios and sales agents or from exhibitors. Their relationship to exhibitors depends on the distributors' strength on the market and their supply of upcoming films (Finney, 2010).

### 3.6.5 People

People are an important critical factor in any organization. Skilled, motivated and happy staff is much more likely to serve and produce effectively; so to maintain a good relationship between employer and employee, a staffing strategy should be established including a number of factors (Hooley, Piercy, ASaunders, Nicoulaud, 2008):

- *Job design and description* – to have a clear vision of the roles and tasks that are required to carry out including the identification of the level of required technical competence as well as softer skills of dealing with people.
- *Selection of the right staff* – the choice of selection is mainly based on job specification, personality and attitude.
- *Training* – ongoing training is essential to ensure the maintenance of skills and enhancing the skills according to changing circumstances.

- *Appraisal and feedback* – regular feedback to staff on their performance and suggestions of improvement is important. Also part of appraisal process to motivate staff is revisiting job description and updating it according to staff's experience.

### **3.6.6 Physical evidence**

Customers can feel, touch, see and sometimes smell the goods in order to evaluate the product according to their needs. However in service the physical evaluation of the product is impossible, so customers intend to use other connecting physical signals as an 'evidence' in evaluating the service. Therefore marketers can use a mix of the following elements of physical evidence (Withey and Lancaster, 2012):

- Reception image and waiting rooms;
- Staff appearance and uniforms;
- Production areas and facilities;
- Company logos, type of vehicles, etc.

### **3.6.7 Process**

Process element is increasingly important as it refers to methods and procedures used by the organization to achieve all marketing functions such as development of a new product, promotion, sales and customer service (Dave, Ellis-Chadwick, Mayer and Johnston, 2009). Its policy is mostly about minimizing costs in production and operations processes. Furthermore, there are two aspects related to 'process' which have a strategic view: degree of customer contact; and quality control standards.

Operations process is more focused on allocating resources and measuring internal operational performances. So the marketer should insure that operation process works efficiently at points where there is a direct customer contact.

Quality control standards for both services and manufacturing should be set in the same way, however in manufacturing more quantitative standards are set than qualitative. Furthermore, standards should be driven by the marketplace rather than by internal production ability (Fifield, 2012).

### **3.6.8 Partnership**

Partnership can be divided into two different forms of cooperation such as *equity based partnership*, such as joint venture, and a partnership that has a short term focus known as *non-equity partnership*, such as marketing and supply agreements (Zotto, Kranenbugr, 2008).

However, marketing partnership is a type of activity that can be nowadays considered as a complementary part of many marketing plans and programs.

Companies can rely on each other to leverage collaborative in marketing programs that can help them to add value to products and meet each other's set of marketing goals and objectives. It's about working with another partner to leverage marketing core competencies and assets to offer new products to existing customers to keep them loyal and to acquire new customers (Kunitzky, 2010).

### 3.7 Implementation and control of marketing strategy

According to Fifield (2012) planning is important but it is expensive and pointless without implementation. In the following figure 5 shows the relationship between plans and implementation. The first box represents the best outcome an organization can get when implementing the right marketing plan in the right way. The opposite of "Thrive" is total failure represented in "Die". Box number two shows that organization has an effective plan but wrongly implemented. Box number four shows that when a bad plan is well implemented, it can destroy the organization much faster than in case of not having a plan at all.

		Planning	
		Effective	Ineffective
Implementation	Effective	1 Thrive	4 Die faster
	Ineffective	2 Die slowly	3 Die

Figure 5. Planning and implementation. Source: Fifield, Marketing strategy, 2012, p. 255

There are number of steps that should be considered in the chain to strategy implementation (Fifield, 2012, Doole, Lowe, 2005):

#### 1. Strategy evaluation and appraisal

Measuring the success or failure of the applied strategy should take into account the efficiency and effectiveness; therefore the organization should evaluate and measure both simultaneously by considering:

- 1.1. *Financial measures* – most of financial measures concentrate on profit, however there are other indicators, such as profitability, shareholder returns liquidity ratios, returns on assets and many more.
- 1.2. *Non-financial measures* – tend to measure the effectiveness rather than efficiency, these measures may include market share, growth, competitive advantage and position, sales volume, market penetration level, customer satisfaction, etc.

The choice of the most appropriate measures to be used depends on the organization's marketing strategies and situation to be able to balance its internal and external needs.

## **2. Identification of barriers and problems of implementation**

Lack of appropriate monitoring and evaluation procedures in the following main three categories can prevent from reaching the needed quality of marketing strategy and so these elements can act as barriers during the implementation process:

- 2.1. *External pressure on the organization* – these external elements are best analyzed and described via PEST or SLEPT analysis.
- 2.2. *Internal pressure on the marketing function* – this pressure depends on the internal leadership management affected by marketing approaches and available resources. Also pressure caused by organizational structure, functions, and culture related with soft elements such as skills, style, shared values and active involvement of the staff in the strategy, as well as hard elements can influence the implementation process.
- 2.3. *Pressure within the marketing function itself* – in order to avoid this pressure, marketers should achieve better coordination among various functional systems through using better communications, and inter-organizational understanding. Also by understanding customers' needs and preferences and getting sufficient information and feedback on plan's progress can reduce the risk of problems during implementation.

## **3. Identification of drivers for change**

Marketers should identify and use drivers that can help to implement strategic plans in relation to changing environmental conditions, changing market trends, changing customers demand; and in relation to continuous growth in customer's expectations, as these factors can be the cause of making customers less loyal to brands and organizations, therefore marketers key is the knowledge and use of these changes in demand to drive through changes inside the organization.

#### 4. Using control system

Control systems consists of formal target settings, measurements, and feedback systems that are developed in order to monitor and evaluate whether if the marketing strategy is working and performed as intended in terms of efficiency, quality, innovation, and customer responsiveness. The selection of right methods depends upon the targeted market of the organization, the structure and the culture of the organization. There are four main objectives of control systems:

- 4.1. *To set standards* to which business and marketing strategy should aim. As the goals of strategy process are translated into standards that are driven and implemented at every level thought the organization
- 4.2. *To measure performance and report results* are the key elements of control system. The method of measurement is decided upon different areas such as quantity “How much was achieved? How much should be achieved”, quality and cost “How good was the performance and how much the achievement of that performance cost”.
- 4.3. *To assess areas of strengths and weaknesses* in marketing plan. Obtained results should be analyzed in order to evaluate the strengths and weaknesses of the strategy. Whilst the variances from the expected performances should be identified in order to understand the reasons behind such outcomes, therefore it is always important to assess performances and to diagnose specific problem areas.
- 4.4. *To establish mechanisms for taking corrective actions* if required. When a marketer detects a deviation from the estimated results that have been highlighted, his role will be decide whether to take corrective actions and if so how to implement them in time. These corrective actions are taken depending on the reasons that caused such variance; such variance can be due to an internal problem where an action can be easily taken. However, the variance from expected performance may be due to external factors which the organization has little control of. In case these factors are considered to be fundamental it is perhaps better to reorient the entire strategy accordingly to changing environmental needs.

### 3.8 Film industries

According to Biagi (2005) movies industry is one of the biggest media industries with an imaginative and creative medium. This industry’s success is unpredictable because the audience determines whether the movie will be a hit or a fail, therefore in order to be on the right path of success marketers intend to promote their movies and movie stars intensely.



The economics of making a movie is very important as the movies industry competes with television (in TV there is lack of special effects which are added in movies but these effects are very expensive and may not fit in every movie).

### **3.8.1 History of films in media industry**

“More than any other medium, movies mirror the society that creates them.” (Biagi, 2005, p. 129). Since the beginning movies has reflected culture and events, both contemporary and classic. It developed its roots in the industrial revolution in 19<sup>th</sup> century and it developed since then (Rouda, 2011).

#### **Movies becoming a business in America**

The invention of movies resulted during the industrial revolution, when two main devices were developed. A device that photographed moving objects and another that projected those pictures. First movies were invented in America, and due to the success of this invention the following five important events occurred in 1920's caused transformation of movies industry into large business (Biagi, 2005):

1. *Movement of major movie companies to Hollywood* — cheap land rents, good weather and inexpensive labor in California attracted film companies that were based in New York to switch their sets to Hollywood.
2. *Creation and implementation of block booking* — a system that requires theater owners to accept and pay for a package of movies instead of choosing individual movies from a studio's pictures. Each package had both classes of movies, class with known stars and second class without stars; in addition to that exhibitors had to blindly book a package without knowing which movies they were getting in it. It was assumed that this system was adopted in order to economically produce, distribute and exhibit both movie classes.
3. *Establishment of United Artists* — this organization was formed as a rebel against block booking system, United Artists became a distributor of their own pictures and of other independently produced pictures. They also worked outside traditional major studio system where they proved their success of movies distribution to audiences as they delivered major classic films such as *The Mark of Zorro*, *Robin Hood*, and *The Three Musketeers*.
4. *Moviemakers' self-regulation* — movies industry had to deal with movie stars scandals and accusations against moviemaker that they intended to allow movie contents to be too provocative. Therefore, in 1922 the movies industry responded to these two crises by establishing Motion Picture and Distributors Association (MPPDA) to oversee stars' personal behavior, and films content. In 1930 the MPPDA adopted a production code, which had three main principles:
  - i. No picture to be produced which lowers the moral standards of those who see it.

- ii. Correct life standards, movies shall present subject only to requirements of drama and entertainment
- iii. No sympathy to be created towards violation nor shall ridicule any laws, natural or human.

The code divided its principles into twelve categories of wrongdoings, containing:

- Murder: the way of presenting a technique of murder should not inspire imitation.
  - Sex: not to show excessive embraces, kissing and suggestive nudity or gestures.
  - Obscenity: it is forbidden to mention obscene words, gestures, songs, references or by suggestion (even if part of the audience understands it)
  - Costumes: indecent dancing movements and undue exposure costumes are forbidden.
  - Most of the producers complied with the monitoring as they were afraid of censorship from outside the industry. However, nowadays these standards have loosened but self-regulation of movies content is still performed.
5. *Introduction of sound into movies* — technology pushed the industry into a new era as sound movies gradually expanded, causing silent films to diminish their shows in the theatres to less than one percent in 1930s.

### **Movies Compete for Television audience**

Television transformed movie business forever since the national television started to offer home-delivered entertainment. In 1950s theater audience fell by 45% while the number of television sets grew by 400%, this contributed to huge loss in the movies industry and caused more than 4000 theaters to close in America. Unfortunately, the trend of declining theater audience is continuing around the world till today (Biagi, 2005).

With declining audience, fewer successful movies, and high production costs in the world, movie financing became an important part for media industries; therefore one of the ways that a movie can collect a predictable income is by making movies for television and by selling movie rights (ancillary rights). Funds can be also collected by supra-national institutions such as: The National Endowment for the Arts (NEA), Eurimages (founded by the council of Europe), and many other around the world (Kerrigan, 2010, COE, 2013).

### **Reasons of the global dominance of Hollywood films**

Non-Hollywood films producers face challenges to compete for the market share market. The causes of such challenges and worldwide box office dominance by Hollywood are explored in terms of structural and historical reasons. European and other national movies struggle in terms with (Kerrigan, 2010):

- Low budget with comparison with American movies.

- Overall performance of non-English language movies outside their country or linguistic area.
- The subject matter and culture of the movies are appealing only to their country of origin.
- Provision of support, market information and access of the film to perform well commercially.
- Marketing activities and finding distribution channels outside the film origin country.

The European approach towards true filmmaking is believed to be seen from an artistic value rather than industrial, where industrial models shouldn't be applied in films. As according to Puttnam (1997) the reason why Europe can't compete with American films is because European films are not "merchandise". However, many arguments are set to theories that suggest that there must be a separation between art and industry in filmmaking. In order to produce a film, it is necessary to have a secured budget, irrespective to size. So the ignorance of equal consideration of the two most basic elements (cultural and economics) can be part of a failure of the non-Hollywood films industries.

There is another important cause of domination of Hollywood globally which is *the existence of strong lobby* working on behalf of Hollywood in contrary with Europe as there is no such lobby. This lobby was founded because of the recognition of federal government of the strength and importance of film industry in films trade so they used their diplomatic networks and their strong political lobby to promote their films worldwide by negotiations in some aspects for example US succeeded in their negotiation with South Korea to lower the percentage of quota of indigenous films at cinema from 40% to 20% in order to increase their other trade with US.

World War I is the main *historical reason* of the US dominance position in this industry. First of all, America's limited involvement in (WWI) had a major contribution of its industry development and expansion for business. Due to US expansion in the market, their films budget raised according to the potential earning and started to reduce their production risks by concentrating on the revenue earning activities of distribution rather than film manufacturing (vertical integration). Where on the contrary the involvement of European countries in the war had a negative effect on the production of films because of shortage of many raw materials that were used in photographic films were highly used to make explosives. Furthermore, the inability of some European countries such as France, Italy and Denmark to trade with international market caused a reduction in their domestic film production.

## 4 Methodology

In order to achieve the aimed objectives of this diploma thesis, secondary resources were collected and processed from various websites, press releases and publications that address the examined topic, such secondary resources are MPAA, OBS, world film market trends publication for the year 2011, DIFF publications, etc. However these examined sources weren't sufficient for obtaining all the necessary and needed information for reaching the objectives, therefore a primary research was done via conducting an online survey and an in-depth interview. The results gained from the primary resources and secondary resources were implemented via marketing tools such as environmental analysis by using SWOT, market situation analysis. Furthermore, these results helped in establishing draft recommendations for the case study entity and other entities in the industry. Also it helped in establishing low-budget for the project that performed by the case study entity.

The survey was done in order to analyze consumer's behavior towards films consumption in the country and to establish recommendations for entities operating in the region especially for the case study entity that is going to market its new film in the country. The data obtained from the survey that was conducted in March till April of the year 2013 with 252 respondents were processed by applying statistical indicators such as frequencies, means, medians, and modes; also analysis of contingency was used in order to find the dependencies between variables. Data were analyzed via a statistical program called STATISTICA, where figures and tables were constructed in Microsoft Excel and Word. In addition, all the results were interpreted and evaluated into details. Last but not least dependencies and relations among demographics and answers of respondents were also examined.

### **In-depth interview**

An in-depth interview was conducted with the producer Cindy Le Templier for the case study 'line of sight' due to the limitation of insider information about the film industry in the Middle East, this method was applied in order to analyze and to get a better knowledge about the film industry especially from the producer's experience and point of view of being an independent producer in the region.

In-depth interview is a quantitative method of analysis therefore the most important and relevant information for the case study were implemented and written in the thesis.

### **Online survey**

The questionnaire was distributed online on the Google documents server, where it consisted of total 25 questions (see appendix B) that are focused on the consumer preferences and attitudes towards foreign and national film industry

in Jordan. Out these twenty five questions there were 6 identification questions asked at the end of the questionnaire.

The survey had the following *demographic characteristics*: out of 252 respondents there were 46% males and 53% were females as it shows that females are more interested to fill the questionnaire than males, but however the difference between them can be considered small. In relation to the age structure most of the respondents belong to the age category 20 to 29 representing 60% of total respondents, 27% of respondents belonging to age 19 and under and 12% from 30 to 39, the rest are older than 39 years. This deviation in the age structure can be due two factors the first is that the questionnaire was shared on social media websites such as Facebook and via emails, therefore the younger generation that have the accessibility to these methods filled the questionnaire, another reason can be the language of the questionnaire also mostly older people don't the knowledge of English language to fill the questionnaire.

In relation to education, most of respondents have reached university or college level to be their highest education as 75% of respondents belong to this category, followed by 23% reached secondary school and only 2% have basic.

Regarding the next demographic characteristic is the composition of household were 64% of respondents answered that they still live with their parents while 19% live alone, 5% of married respondents without children and 4% live with their partner without children and same percentage applied to respondents living with husband/wife with children, and 2% of them living with their partners with children. The rest were cases where respondents living with their friends, siblings, etc.

Respondents were asked to choose the specification which best described their household income in terms of costs coverage and quality of live. The most frequent response by participants was satisfactory with 43%, and then followed by 29% of respondents living sufficient life, while 16% living in high standards and 7% in low as basic needs are covered but the spending is limited. The least percentage was respondents who live in insufficient household who needs short-term lending due to shortage of monthly income.

The last demographic question was concerning the predominance of respondents, the highest percentage among them was occupied by students as 54.8% of respondents are still studying and 32.5% are employee, freelancer came as third with 5.2% then followed by unemployed respondents who represent only 3.2 Other occupied people who are on maternity leave or are voluntary unemployed represented only 2.4% followed by 1.1% of entrepreneurs and last by less than one percent were pensioner.

## **Shashat productions**

Shashat Productions LLC is a multimedia production company was established in 2010 and officially registered in 2011 in Jordan. Where it offices are located in Amman.

Shashat means “Screens” in Arabic language, has multi-screen strategy, as it produces contents for all different screens: Cinema, TV, Web, and Mobile. The company provides programs, commercials and contents for these specified screens. Aside from working on feature and documentary projects, Shashat is currently also commissioned by several telecommunication operators to create mobile multimedia content. The company’s clients are mostly from Jordan but also from the Middle East and neighboring countries such as Palestine.

One of the most recent projects that had been made and produced by the company is a feature film. The film was shot in Jordan in November 2011, for duration of 3 weeks, directed by Aseel Mansour and produced by Cindy Le Templier. The movie is called ‘Line of sight’ it is a drama suspense film, the story of it talks about a woman called ‘Laila’ in her early twenties who has to revisit the choices she made in her life after an encounter with a car thief ‘Sami’, who had made unusual choices himself.

The story of the film talks about the choices in life and how responsible we all are of our own acts, starring with Jordanian actors Nadia Odeh and Khaled Ghwairi, along with other known stars and actors in the in country.

## **Film description of the case study**

The film is based on an incident that starts in the evening were the main character “Laila” who lives in an area which is almost abandoned noticed that two thieves were trying to steal her car, she runs to the balcony which is on the first floor and sees that one thief stool the car and drove away but other one stayed behind, because that the car means a lot to her, the reasons will be shown later in the film, the first thing that came to her mind, was to go back to get her husband’s gun whose travelling, and points it out at the thief “Sami” who stayed.

At this moment a situation aroused called “stand of situation” – in which she is pointing directly the gun at him, so the thief can’t move but at the same time she can’t move either while she pointing at him. So as she is standing at balcony, she has to keep an eye on him therefore he has to stay at her line of sight until they find a solution for this situation, of course in addition to that she doesn’t have a mobile or any other communication mean to call the police and ask for help. Meanwhile the film will present the past of the two characters, the reasons behind Laila’s sentimental attachment to the car and the thief’s reasons of the rubbery, and finally, the evolvment of the whole incident.

## 5 Results

### 5.1 Multimedia companies characteristics

Multimedia companies are part of what is known as mass media industry, which provides information, entertainment and even attract audience via various media communication tools and technologies. Mass media consists of two major types: print and broadcast. The following general characteristics of mass media do also apply for multimedia production:

- Non-personal channel of communication as it carries a message without interpersonal contact so it is mostly one way direction.
- Aim of message is to be sent and attract largest possible audience.
- Media influence the society and it is also influenced by the society.

Multimedia companies mostly specialize in *broadcast* media production and distribution; they also work on films, documentaries, TV programs, commercials and digital media.

Due to their dual product market, they are able to produce different types of products depending on whether the product or service is intended to be provided in form of B2B or B2C. Business to Business products are those which are requested to by other business (client) to be made by the multimedia companies. The client set the norms and specifications of the wanted product or service; however most of these products are intended for final consumers to see, such products are commercials/advertisements. Whereas, Business to Consumer (B2C) is rather applied, decisions are completely dependent on the multimedia company to produce a product that it's intended to reach large number of audience via different distribution channels, i.e. films.

### 5.2 Film industry trends and current situation analysis

#### 5.2.1 Film industry in America, Europe

American film industry is still the most significant theater force in the world as it is still dominant and its films are the biggest competitors among other films originated around the world in terms of box office admissions, profits and distribution. According to MPAA, currently The US film and television industry with nearly 282,000 employed in the business core and almost 400,000 workers related to this industry that work mainly in distribution of such products to final consumers, support a community of 2.1 million workers in all 50 states. Also the industry brings an annual contribution of more than \$175 billion to US economy, and it is considered of being one of the few industries that have a positive balance in terms of trade with other countries, as the exports has reached in 2009 of around \$13.77 billion, therefore the surplus of

this industry is larger than for example telecommunication, legal, medical, insurance services.

The trend of the North America in the film industry market is dominated by the US films according to the statistics that has been published by the collaboration of Marche du Film and the European Audiovisual Observatory, the market share of the US films is 91.8%, with 0.8% of Canadian films and remaining share was taken by other originated films.

America is still one of the biggest film producers around the world, where the number of feature films produced for 2009 was in total 751 films that were produced, with admission of 1 364 million people in United States. As it is shown in figure 6 the trend of film production is steadily increasing especially in the US, but it is noticed that also the European feature films production is rising on average within EU member states. However, there is a big difference in the quantity produced between the US alone and the twenty seven countries of EU.

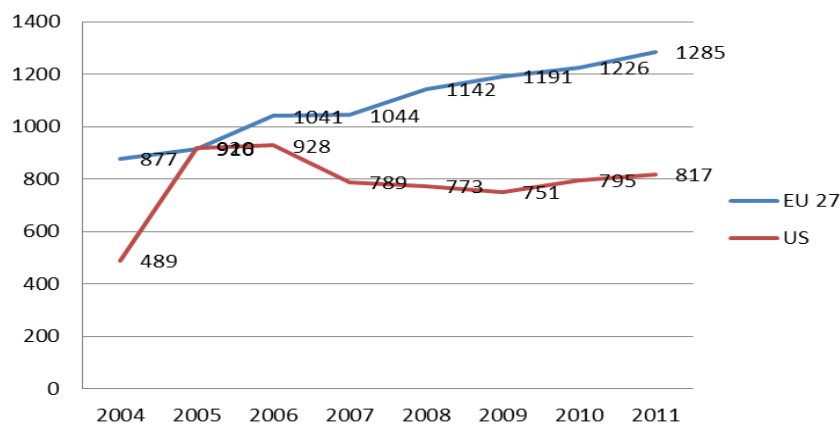


Figure 6. Number of feature films produced in EU and US.

Sources: MPAA, OBS, 2011

Even though the number of European feature films is increasing their market share has slightly decreased after 2007. The average share of European feature films was only 26.8% (2008–2010) (Focus, 2011). EU audience preferred to attend the American produced films rather than their own national or other European films.

However, as it is shown in figure 6 the year 2011 saw a 3.2% growth in European films share in EU with comparison to 2010 accounting for 25.3%, this shows that European films are claiming back their market share which they have lost to US in the previous years. Also the market share of European films with incoming US investment has risen from 5% to 8.4%. The next years will give a clearer idea of whether consumers in Europe are shifting their preferences towards their national films or it was raised only for the year 2011 due to success of local comedies that performed extremely well.



According to statistics provided by MEDIA Salles, France has the highest number of digital screens in Europe with total of 3 656, accounting for 67% of total Europe's screens. France is not just at the first position in Europe's digital cinema market but also its films attracted the largest number of admissions among other EU films; add up to 10.5% of total Europe's 2011 admission. Italian films takes the second place after French with 4.6%, followed by is German and UK productions which are both ranked as third with 3.7% each of total admissions among European films in EU (appendix tables 5 and 6) (OBS, 2012).

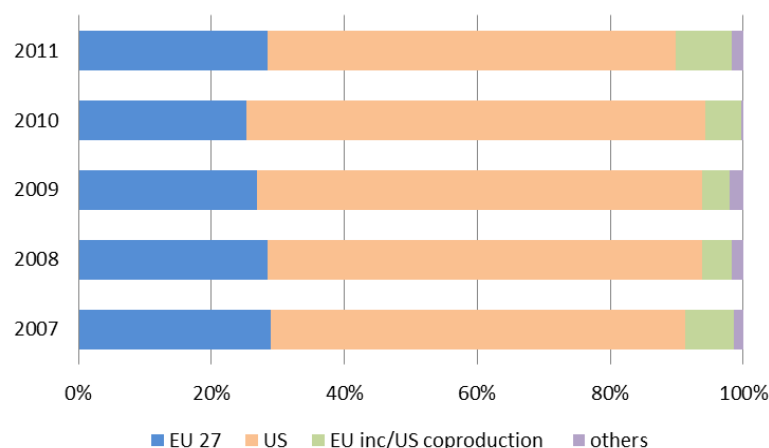


Figure 7. Market share of films in EU.

Own work based on data from OBS, 2011

There are many national fund and grant programmes that continuously help and support cinematographic industry; however the European Union is the biggest contributor to European filmmakers.

In 1988 EU Council set up a fund that is based on partial agreement for 36 member states (including members that are not in European Union) to support co-production, distribution and exhibition of European films. This fund is called European Cinema Support Fund (Eurimage). The Board's main objective is cultural, as their aim is to support works that reflect the European society. Besides the cultural objective there is an economic one that is accounted to be a very important element for filmmakers which is the need of financial support to demonstrate their art work and also to achieve a commercial success in the industry. Almost 90% of the fund's resources are originated from member state's contributions.

Since Eurimage establishment till 2010, it has supported the co-production of 1349 feature films and documentaries with an annual investment of €23 million to support this industry among its member states (DIFF, 2013)<sup>2</sup>. In

<sup>2</sup> Dubai film Festival, [http://www.dubaifilmfest.com/index.php/en/news\\_article/fund-for-european-co-productions-selects-dubai-international-film-festival/2012/p-1/](http://www.dubaifilmfest.com/index.php/en/news_article/fund-for-european-co-productions-selects-dubai-international-film-festival/2012/p-1/)

addition to fund support of filmmakers, it also supports exhibitors who operate their theaters by Eurimages exhibition support programme, this grant helps in theatre digitization, purchase of projectors, servers and increase number of cinemas and screens in member states. Furthermore, there are many support programmes that this fund offers such as distribution support programme; which aim is to reinforce the distribution via increasing marketing and also aims to raise audience number via increasing the public awareness and advancing the level of the European cinema image (Eurimage, 2012)<sup>3</sup>.

### 5.2.2 MENA region film industry

When comparing Europe, America with Middle East and North African (MENA) region it can be said the MENA region is still developing in the film industry and it will take time for it to become internationally competitive, despite the fact of the long history of film industry in some Arabic speaking countries such as Egypt, the Middle East as a whole doesn't produce many feature films compared to America and Europe.

Due to difficulty of finding data concerning the MENA region, most the statistical data for the region are accounted till the year 2009, therefore the results will mainly consider the years before 2010.

The average number of produced films for MENA region, of the countries that are shown in figure 6 was 11 films for the year 2009. The region's biggest film producer till today is **Egypt**, as in 2001 the country had 200 cinemas and the number has been increased to 400 in the year 2009. The total revenues for that year were 55 million USD. Egypt produces more than 30 films per year and its films are the most distributed Arabic language films in the MENA region. In addition, to the wide distribution of their films in the area, the Egyptian consumers still prefer their own national films as statistics show that in 2010, 80% admissions for local feature films, only 16% for American, 2% of European films, and the rest 2% of other countries origin (Farid, 2010). Part of the success was achieved when their industry expanded further in 2000 by the support of their formal government as it approved to construct Egyptian Media Production City (EMPC) in order to help and boost the media industry including the production of films and television programs, the EMPC was owned by the government with share of 48%, while the rest 52% is owned by banks and local private investors. However, now days the city is struggling to attract foreign production studios due to many problems that Egypt is facing such as the impacts of the regional security problems on insuring film production, the lack of a prominent film commission in Egypt; and difficulties that foreign studios face in order to get permissions to shoot in the country leads to hesitation of producers to test such a new filming center and/or to generally choose Egypt as a country for production (Abedin et al., 2011).

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<sup>3</sup> COUNCIL OF EUROPE, *Eurimages-European Cinema Support Fund* [on-line]. 2012. [cit. 2013-14-3]. Available at WWW< [http://www.coe.int/t/dg4/eurimages/About/default\\_en.asp](http://www.coe.int/t/dg4/eurimages/About/default_en.asp) >.

**Lebanon** has higher admission number than its neighbor countries, were in 2009 its cinema's admission has reached 2.7 million (Focus, 2011), with the market shares in that year of American films, Bollywood films, and Egyptian's were 66.67%, 25%, 6.67% respectively, Lebanese films contributed with only 1.67% of its market. Furthermore, there were 92 cinemas for a population of 4 million however the industry managed to account revenues of \$12 million through screening 300 films (Farid, 2010). Since the year 2000 more than 30 independent short documentaries and animation films were produced annually, also in the recent years their films became of high quality films as some of Lebanese producers has become internationally recognized in film festivals such as Cannes festival. Other reasons that help Lebanese films to stand out, is the co-production with Egypt and the increase in the interest of EU in feature and documentary production in Lebanon. This helped the federation of Lebanon Cinema to promote that the country has a potential of being regional center of post-production and production with an yearly average production cost is about 880 000 USD (OSB statistics, 2009). Last and not least Lebanon has one festival called Beirut film festival (established in 1964). And the country has four universities that teach cinema production.

Regarding **Morocco** and **Tunisia**, they have the best relations with the foreign directors and producers around the world because these two countries avoid unnecessary administrative and governmental complications in the region. Both governments have implemented flexible regulations, discounts, various tax exemptions, and provide on constant basis experienced workers to help foreign filmmakers available at lower costs than other countries in the area. In addition to that, Morocco and Tunisia want to ensure that their countries will be always an attractive market for foreign filmmakers by applying less censorship and regulation of content in contrast with other countries in MENA region such as Egypt and UAE. Morocco is set on the right track in developing its industry as their main plan is to increase number of cinemas to 250 by 2015, and it yearly authorizes more than 600 foreign films to be produced in their country. The range of films made every year is about 20–30 films that are not just mainly American, but also French, Italian, British and Dutch too (Morocco cinema center, 2013). In addition to foreign films, the country releases about 15 national feature films yearly, and has the second market share in the Middle East of 29% after Egyptians films. On the contrary Tunisia doesn't produce much of its own national feature films, where in 2009 only one film was produced and it has only 21 cinemas for a population of 11 million. (Farid, 2010, Abedin. et al., 2011)

The same applies to **Syria**, when looking at the statistics of Syrian film industry; it had only 25 cinemas for a population of 20 million in 2009 (Farid, 2010). According to OBS statistics, the highest number of films produced was 3 recorded in 2005; however the reasons are different than in Tunisia, as Syria till today suffers from serious socio-political instability in the country, which

caused the movement of most of the Syrian media production work to their neighbors and GCC countries.

Another rather politically unstable country which has been officially recognized by United Nations in 2012 as a country is called **Palestine**. Despite the logistical and financial constraints created by political events in the area, the determination of Palestinian filmmakers resulted in slow process of establishing a production company that provides local support and co-production teams. In year 2009 they were able to release 13 feature and documentaries with help co-production of other foreign countries (OBS statistics, 2011). However, they are not much available data about their industry, they have only 5 cinemas in West Bank area and there are no cinemas in Gaza, however the country has the tendency to establish such industry but it will take time. On the other hand, **Israel** is one of the most profitable cinema going markets in the whole area that has the highest number of screens in it with 380 screens with given the country's small population. But Israel has faced a huge decrease in the number of films produced; the range fell from 30 to 20 films in the past years. Since 2009, Israel's yearly production ranges from 14 to 18 national feature films, 3 to 5 international fiction co-productions, and 5 to 10 documentaries. The yearly average costs ranges from 0.5 to 1.5 million USD (Focus, 2011, p.59).

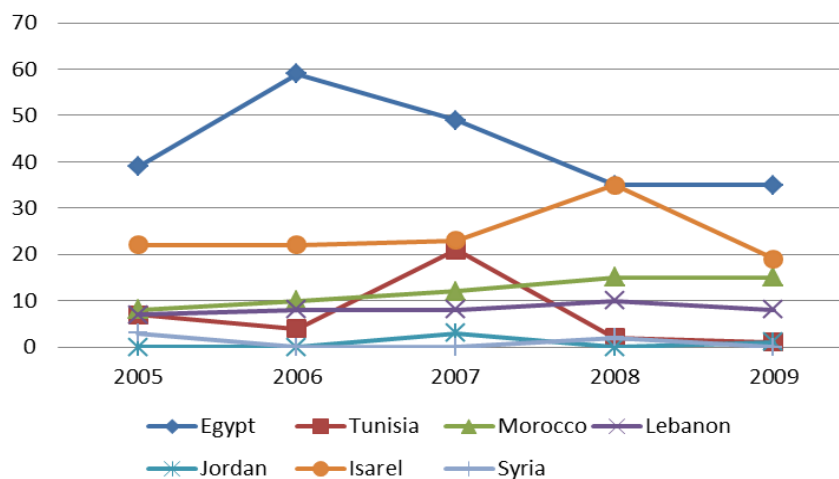


Figure 8. Number of feature films produced in MENA region

Source: Own work based on data from following sources: RFC, UNESCO, OBS, 2011

**Jordan** film industry is still in the process of development, with the help of the Royal Film Commission of Jordan (RFC) which was established 2003, steadily increased the production of local films and recovered the interest of foreign productions to the country. The estimated local spending from production activity from 2006–2010 amounts to approximately 1 billion dollars. The economic impact of such production activity has had a significant cash injection on the Jordanian economy. The RFC's first goal is to develop the Jordanian film industry; however, this requires training, funding, and an audience appreciative

of cinema and in general an enabling environment. Therefore, the RFC is offering not only production services, but also workshops, seminars, training, equipment and facilities for Jordanian filmmakers. With the support of the government, a Jordan Film Fund was established in July 2011 in order to give a huge push forward to developing and producing Jordanian and regional content, and this will also open the door for co-productions with other territories. This fund helped in producing 6 local features in 2011, which was the highest recorded number of local feature films for the past ten years (RFC internal material, 2011).

In 2010, more than 80% of the films shot (including of course TV series, documentaries and shorts) were locally produced. Since the establishment of RFC major films have been shot partly or entirely in Jordan. The Oscar-winning “The Hurt Locker” and the Oscar-nominated Canadian film “Incendies” were shot almost entirely in Jordan and some were shot partially like ‘Transformers II Revenge of the Fallen’, ‘Fair game’ and many others. These films have raised the Jordan’s profile as a filming destination. The following figure 9 shows the increase in number of films shot in Jordan since 1960 till 2010, where it increased from having maximum of 2 films shot every ten years, to almost 30 foreign films shot yearly.

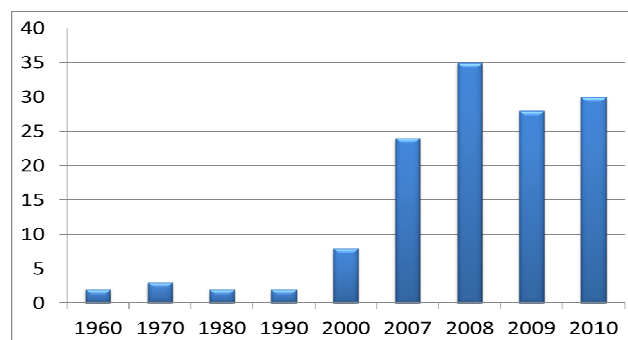


Figure 9. Foreign films shot in Jordan  
Source: RFC, 2010

Beside the accomplishment of attracting international filmmakers is provision of local professional teams, since 2000 the number of Jordanian people working on sets grow from 45% to 90% in 2010, this shows that Jordan has the capability to provide human resources and skills needed for film industry. Also Jordan has invested into providing more number of screens were it now reached to 38 screens in the Kingdom (appendixes table 7).

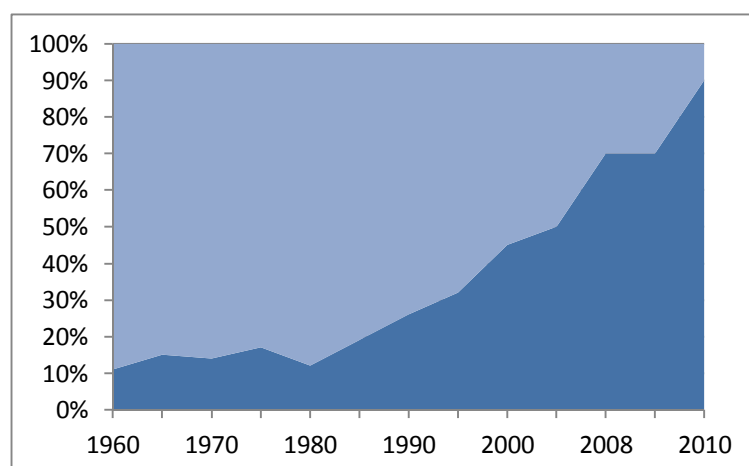


Figure 10. Local crew hired on foreign films production

Source: RFC internal materials, 2010

The trend of Jordanians attending multiplex commercial cinemas is more or less the same for past few years, their main two preferences are American films, and their second choice is Arabic films originated in Egypt. However, the statistics show that people are less attending cinemas than before, in 2011 there was a drop of 9% from the year before.

Table 1. Jordan's cinemas admissions

Year	Country of Origin of films exhibited		Numbers of Tickets sold	Total admissions
2010	1 <sup>st</sup>	USA	847,307	1,007,065
	2 <sup>nd</sup>	Egypt	159,758	
2011	1 <sup>st</sup>	USA	870,722	916,090
	2 <sup>nd</sup>	Egypt	45,368	

Source: RFC internal materials, 2011

Last but not least, there are also other countries that belong partly to MENA region but are not presented in figure 8 such countries are Kuwait, Qatar, United Arab Emirates, Bahrain and Saudi Arabia, these countries belong to the **Gulf Cooperation Council (GCC)**. The GCC market has registered a steady growth over the past years thanks to the availability of large number of multiplex cinemas located in shopping malls, also due to economic growth within the region the GCC was able to sell 16 million tickets (130 million USD) in year 2009 (focus, 2011), where the United Arab Emirates contributes with the biggest share among them with 63.1%. However, the UAE doesn't produce many films, it only recorded a production of 15 long feature films until 2009, and then

in 2009 three feature films were produced. But on the other hand, United Arab Emirates contributed with production of 450 shorts documentaries and animation films in the period 2000–2009 (Farid, 2010, p.11).

They have main festivals in the region, some of these festivals are: Dubai international film festival (established in 2004); Middle East international film festival (established in 2007); Gulf film festival which was established in 2008, also in the same year 2008 a branch of the New York film academy was established in Abu Dhabi for teaching cinema, were in Dubai the sheikh Mohammad Bin Rashid communication school, SAE. UAE has recorded more than 50 short films including documentaries in 2009 that were produced in the country; this was the highest rate since 2001 (Farid, 2010, pp.11-13).

### **5.3 Consumer behavior analysis**

Some experts argue that culture can be considered as the largest factor that influences consumer's choices as it affects values, wants, perception and behaviors. Therefore marketers must apply strategies for their products that can be locally adapted for culturally different markets. There isn't an evaluation system or model of cultural aspects, but there is a variety of models that illustrate common dimensions for cultures, such concepts are dealing with for example equality of men and women, position of individuals in society, degree of interdependence among members in a society, etc.

The most popular model that based on a research done by Hofstede (1991) was further applied in Jordan, because the research didn't include the country in it and some argue that Hofstede findings for the Arab countries can't be generalized to Jordanian culture, therefore a research done by master students from various universities in Jordan applied Hofstede methodology to find the results for the country. The findings for the country were for Power Distance Index = 7.75, Individualism Index = 27.2, Masculinity Index = 51 and Uncertainty avoidance index = 110 (Alkailani et al., 2012). From these results only Individualism Index will be applied into this thesis because another research done by Broekhuizen, et al. (2011) indicated that cross-cultural differences in social influences can help in explaining the differences in box office distribution, they used Hofstede's collectivism-individualism index as part of their analysis and found that film markets that are under a stronger social influences display a greater diffusion of market share.

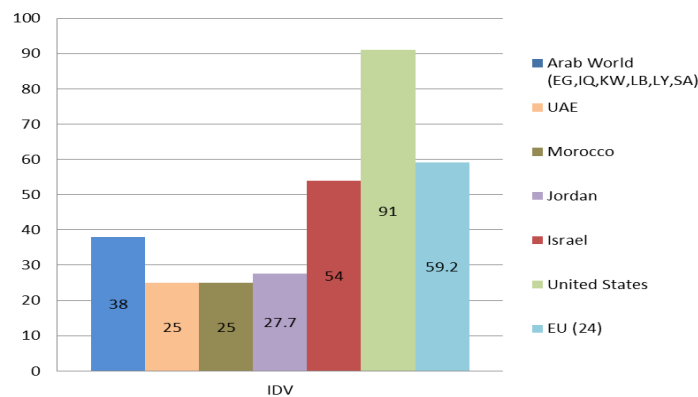


Figure 11. Individualism-collectivism index for EU (24), US, and Arab countries  
Source: Own work from Hofstede, 1991, Alkailani, et al. 2012

Figure 11 shows that Arab culture is rather a collective one in comparison with United States which is the most individualistic country in the figure and in relation to EU (24) the average was taken from Hofstede's work, therefore the data for EU is calculated only from the countries that were presented by him.

The level of collectivism in the Arab countries can be taken as an opportunity for marketers to initiate as mentioned by Broekhuizen et al. (2011), "in collectivist cultures people strongly rely on the intended behaviors of others (coordinated consumption) in their decision making", therefore marketers need to advertise their films heavily especially with the help of 'word of mouth', they can raise the level of the audience by convincing them that members of the in-group they belong to will approve their actions and make them collectively attending the film by organizing events that helps in reduction of potential social risks, and allow enjoyable timing with in-group members.

The survey was conducted in order to find more information about the attitude and the preferences of films consumers in Jordan, however due to shortage in time the survey examined a relatively small sample of  $n = 252$ , the sample of respondents concerned those who are living in Jordan and have the knowledge of English language because the questionnaire was written in English. The purpose of the survey was to give a better idea about how to apply a marketing strategy that will bring awareness about the national film industry in the country; in addition to that, the survey can serve as an example for those who are interested in the trend of the countries present in the MENA region. Thesis will examine the survey in two parts, the first part will concern general characteristics of consumer behavior towards films in Jordan and the second part will be specifically applied as source of information that will be used for marketing strategy for a case study 'line of sight'.



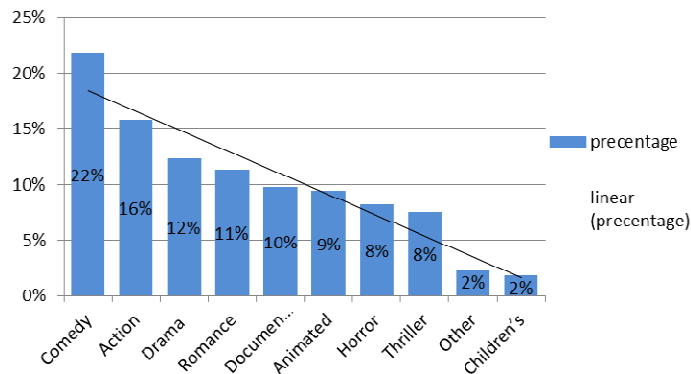


Figure 12. Genre of films respondents like to watch  
Source: questionnaire survey, March-April 2013, n= 252

Starting with the general trend of films consumers in Jordan, the first thing that was examined in the survey is the level of likeness among the respondents towards films, 67% of respondents rated themselves as movie lovers on a scale from 1 to 5 where 1 is the least and five is the highest, the mean and the mode was 5 with standard deviation of 0.768 which shows that there was a spread in the answers among respondents.

### Film genre

The survey studied the preferences of film genre among respondents, where figure 12 shows that the most liked genre is **comedy** which got 22% among respondents followed by action type of films which had 16%, where 63% of male respondents picked **action** to be one of their favorite in comparison to females where 37% like action as one of the present genres. **Drama** is ranked as third among their most liked genres with having in total of 12% among other genres. Also it is quite interesting to notice that 62% of female respondents chose drama and only 38% of male participants like it. In relation to **Romance** genre it is quite logical to be more popular among female respondents 70% of female participants picked romance to one of the films types that they like, but this genre got in totally 11%. Even though **documentaries** came in the 5<sup>th</sup> place with 10% but it's more favored among male respondents as 56% of them placed it as one of their liked genres. **Animated films** are very popular in cinemas, in the past three years it can be noticed by worldwide box office that at least one animated film is ranked among the top ten worldwide gross box offices if not more. It is shown in the survey that animated films got a close result to documentary with 9.3% followed by **horror** and **thriller** movies with 8% and 7.5% respectively. Due to few numbers of younger respondents who like **children's films**, the genre had got the lowest score with only 2% people choosing it as one of their favorite genres. Other genres that got a higher

percentage than children's with 2.3% were **fantasy, crime, historical** and **adventure**.

### Film origin and language

After analyzing the genre preferences among respondents, the survey examined the language and the origin of films that are watched by them. The most popular language was English with 62%, second was Arabic with 28% and the least watched is films are French language with only 5%. Other languages with 6% that were mentioned by respondents were mainly Dutch, Russian, Romanian, Spanish, Italian, Farsi and Indian.

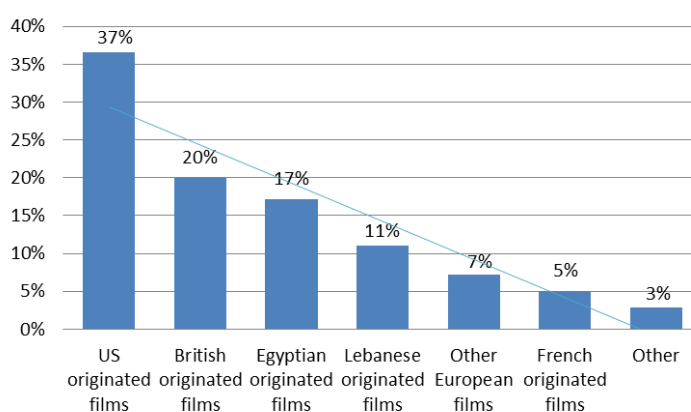


Figure 13. Foreign film's origin respondents like to watch

Source: Questionnaire survey, March-April 2013, n= 252

Regarding the most preferred foreign originated films the answers were closely connected with film languages respondents prefer to watch; therefore the most preferred originated films were the American and the British with 37% and 20%. Followed by Arabic originated films from Egypt with 18% and from Lebanon with 11%. As shown in Figure 13 films that are originated from Europe are watched by minority of the respondents, they do mainly watch other EU originated films than the French originated ones. The last category that they could express the type of originated films they watch, only 18 people (giving it 3% in total) watch other foreign films from Syria, Turkey, Russia, Greece, and also some mentioned animated films from East Asia such as Japan and China.

When comparing these results with other countries in the MENA region, you can find that Egyptians highly support their own national film industry as a study shows that 96% of Egyptians watch Arabic movies especially from their country, same applies to KSA in 89% watch Arabic movies, but on the contrary the most watched originated films in UAE are Hollywood and Bollywood films because of the huge diversity of the UAE population (Arab Media Outlook, 2012).

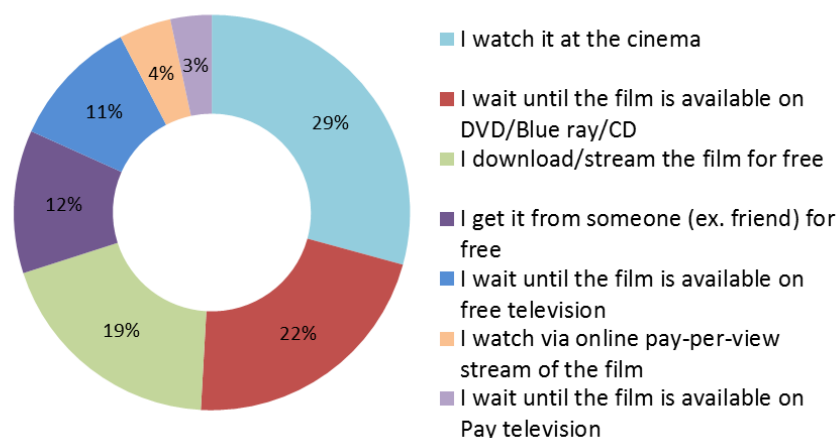


Figure 14. Methods respondents use to watch a new film release

Source: questionnaire survey, March-April 2013, n= 252

In the appendix table 8 shows the results from the respondents who answered the question “how often do you watch foreign films per month?” the highest percentage were 28% for the answer 3–6times per month. It was surprising to find that almost 20% of respondents watch foreign films more than 10 times per month and 18% watch them from the range seven to ten times per month, these two results show a highly positive interest for foreign films among respondents, this interest is also being reflected in figure 14 as the level of respondents attending cinemas in order to watch a new foreign film release is 29%, and the second method (with 22%) is to wait until the film is available on DVDs in order to buy them. Free streaming and downloading is considered rather a threat these days on filmmakers and other artists whose products are being spread online causing them to lose their profits, however this method is widely used among people and it is proved by this survey that 19% of respondents do integrate into this kind of illegal act, but the most common films that are dealing with Copyright infringement are the American and British originated films. Another free method of getting to watch a new film release can be done by getting the film from someone else, for example a friend, coworker, etc.

Yet another free form of watching new movies is free television which was ranked with 11% among respondents due to the time period that the audience need to wait until they get to watch it on the free TV and also people tend to be annoyed from the commercials that are screened during the film, which decreases the number of audience, especially the younger generation using this method. The last two methods with the least percentages are pay-per-view service and paid television, the first reason of such low demand in using these two methods is the low number of providers of such services in the Jordan as they are still not popular much in some countries in the Middle East.

The methods that are mostly used for watching a new releases in Egypt, KSA, Morocco and UAE together in total indicates that the respondents from these four countries ranked waiting till the film is available on free television as the first place with 61% and then followed by watching it via DVD with 28% and as third place respondents choice was to go to cinemas with 28%. However, the results of the survey were taken in total of the four mentioned countries which can affect the individual results of each one. In addition, the sample of respondents represented 500 people of Egypt, 546 from KSA, 400 from Morocco, and 430 from UAE (Arab Media outlook, 2012).

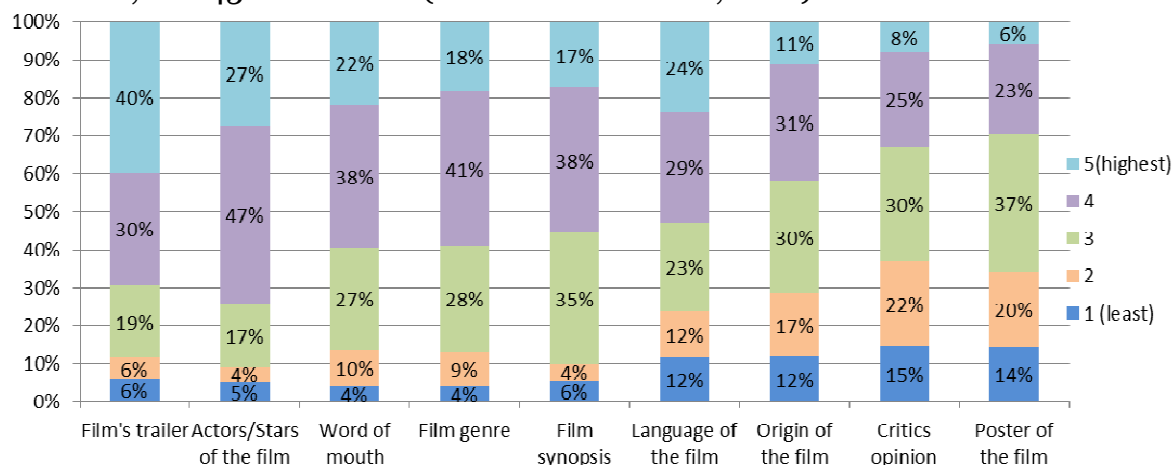


Figure 15. Factors and their level of influence on respondents to watch a film  
Source: questionnaire survey, March-April 2013, n= 252

### Factors influencing choice of a film

One of the key questions that were implemented in this survey is to find the order and the level of influence of certain factors. Such factors that are considered to be persuasive and can play a role in the decision making process when a consumer is choosing to watch a film are illustrated in Figure 15, starting with the least affecting factor that acquired 6% of respondents support ranked it as number five (most attractive) is **film poster**. Also, looking at the table 9 appendixes the mean number is 2.9 which rather show a negative opinion about this option. **Opinion of critics** is assumed to be unimportant when choosing a film as 8% of respondents classified it to be one of the most influential factors of attraction towards a film. Furthermore, **origin of the film** got 11% as a factor that can strongly attract them and 30% consider it to be rather a neutral element; likewise percentage is applied to critic's opinion. A more notable option that is the results contain is the **language of the film** as respondents do get influenced by the language with having 24% and 29% to evaluate it with the highest two scales number 5 and 4.

**Film synopsis** gives a brief description about the film story comes at the 5<sup>th</sup> place among other factors with 38% thinking that it attracts towards a new film and 17% rating it to be strong attractive factor for them. Then **film genre**

is also important for their decision making as it gained for the options 4-attracts me and 5-strongly attracts me 41% and 18% respectively in order. A better mean that can influence easily and widely the audience to have an interest in watching a film is by **word of mouth** were according to the survey it came in the third place with 22% to rating it as highest level of influence and 38% as a high influential factor, these percentages can be a result from the low level of individualism in Jordan meaning that people belong more to groups so word of mouth can be easily and widely functioning in the country, therefore it can be taken an advantage of in the marketing strategy.

The most two influential factors that got the highest rate among other factors are **actors/stars** and **film trailer**, these two elements are highly considered among respondents to bring their attention towards a film and induce them the watch it. Actors/stars having the second place with a mean of 3.9 and mode of 4 – meaning that this value appeared most often in the answers which indicates that respondents consider actors or stars to be a very important element for them. Furthermore, actors have dependency on gender of respondents, as p-value is 0.01921 and contingency coefficient of 0.2029845 shows a medium dependency between the two. The percentage of males (35.0%) rated actors as their highest factor was more than females (20.7%), therefore actors play a more influential role on males than females. Last factor which is the most important one and the key material that is used in film marketing is the trailer with 40% agreeing that trailer is the most attractive mean for them to decide about a film.

### **Cinema attendance**

Due to the decrease of cinema admissions by 9% in the country, the survey examined the level of the attendance to cinemas and related matters concerning cinema admission. Most of the respondents attend **multiplex cinemas** almost 76% of them go to such big chained grand and multiplex cinemas that are mostly located inside malls and in various places in the capital city of the country. The second type that they visit is **independent cinemas** and second run ones however only 9% of them attend such type of theaters, only 2% attend **drive-in cinemas** and the rest 11% (27 respondents) don't go to cinemas at all. The following figure 16 represents the main reasons behind their cinema admission; the most frequent option with 32% that was selected is the group pleasure to be with others to watch a film together, thus this answer shows that cinema is rather a group activity that respondents like to share with their close people. Also the visual and sound effects that cinemas offer is quite entraining for them to experience, therefore this option came as their second reason with 27% for going to the cinema. Another reason that pleases respondents about cinemas is the atmosphere itself that gives them a different feeling from home cinema so it also got a high preference (23%). The least two options that were picked are snacks and beverages that are always available in the cinema, and characterizing watching films in cinemas as a hobby.

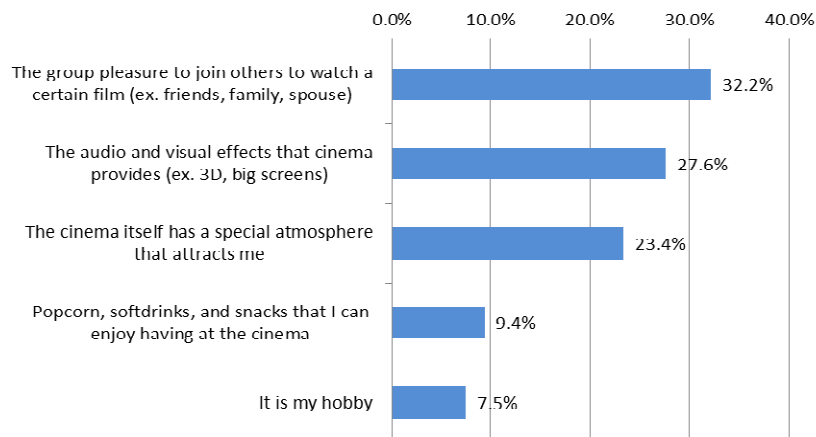


Figure 16. Reason that influence respondents to go to the cinemas

Source: Questionnaire survey, March-April 2013, n= 252

It is clear from the figure 17 that almost 31% don't attend cinemas every month, as the most frequent number of times of those who attend cinemas on an average of six months is two times which represent 8% in total of those who respondent as non-monthly visitors. Students who don't attend cinemas every month count for 34% where 70% of them attend maximum 3 times per half a year. On the other hand almost 42% of respondents who are employees attend cinemas twice to five times and only 24% don't attend cinemas every month. Those who attend an average of once a month count for almost 26%, represented by 26% employees, 27% students and 31% freelancers.

There was not much of a difference between females and males respondents but the only significant difference was noticed in males' admission for the average attendance of 3–5 times a month being 15% and 6% for females' respondents.

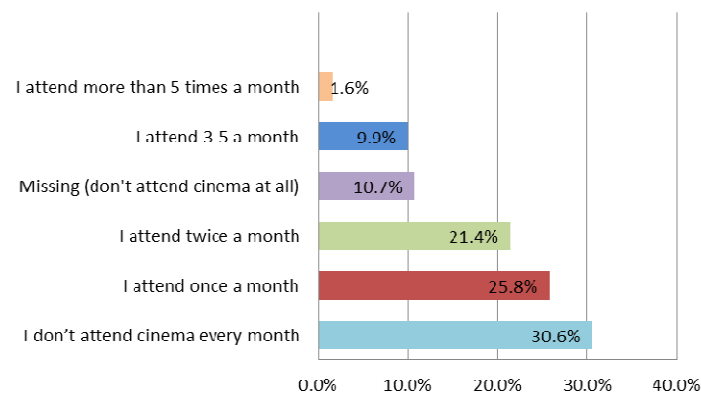


Figure 17. The average attendance of respondents to cinemas

Source: Questionnaire survey, March-April 2013, n= 252

The next question was concerning the willingness of the respondents who attend cinemas to spend in cinemas on films. The questionnaire noted respondents about the average current price of tickets in the country which in terms of US dollars which is 10\$ and according to it they have answered the question.

Table.2 shows that income level of respondents who attend cinemas can play a role in their choice on the amount they prefer to spend as almost 40% of them picked the highest average that they are willing to spend is 16\$ to 30\$ per month. Surprisingly 10% of those who consider their family income to be low are willing to spend 46\$ and more on cinemas than those who categorized themselves to live in sufficient and satisfactory conditions. In relation to gender with total of 26% of male respondents who attend cinemas are willing to spend thirty one dollars and more while 17% of females are willing to spend such amounts on it.

Table 2. Willingness of respondents to spend in cinemas according to their income status in %

Category	Insufficient	Low	Sufficient	Satisfactory	High	The total sum
Nothing	30.0	7.1	1.8	4.8	0.0	4.4
Less than 15 \$	20.0	57.1	42.9	32.4	22.5	34.2
16\$-30 \$	20.0	28.6	41.1	41.0	42.5	39.6
31\$-45\$	20.0	7.2	8.9	16.2	22.5	15.1
46\$ and more	10.0	0.0	5.4	5.7	12.5	6.7
<b>Sum</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Questionnaire survey, March-April 2013, n= 252, Note: missing n=27 (those who don't attend cinemas at all)

The last addressed question in the survey was concerning cinemas admission, this question was given to all respondents to answer this phrased question: "to what extent do/would the following factors motivate you to visit cinemas more often?" the respondents were giving the options that are presented in figure 18

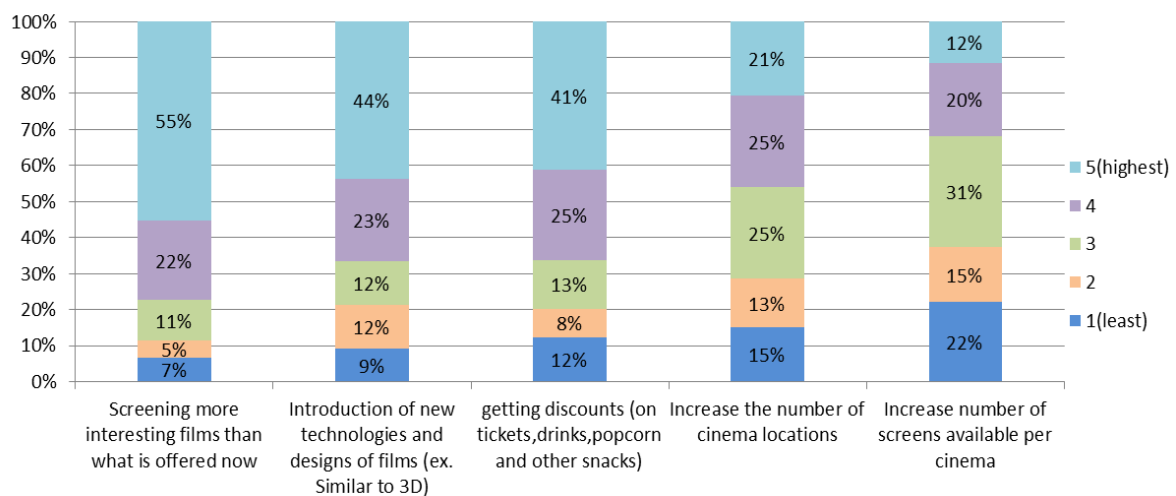


Figure 18. Factors and level of respondents' motivation towards them to attend more cinemas

Source: Questionnaire survey, March-April 2013, n= 252

The most preferred option that respondents chose was **screening more interesting films** than what is offered now in the cinemas with total of 55% respondents rating this option with five on the scale from one to five – meaning that this factor that can motivate them very much to attend cinemas. The second option that was favored by respondents was the introduction of new technologies as 44% of respondents liked this option with highest rate. Furthermore males preferred this option more than females, as 50% of male



respondents ranked this option with the highest level and 38% of female respondents ranked also as five.

Another factor that can influence respondents to go more often to the cinemas is getting discounts on various things such as cinema tickets, food and beverages, etc., however the mean of respondents ranking was 3.6 which is very close to the previous option **introduction of new technologies in the cinema** which has a mean of 3.8, also there was only a 7% difference between male and female ranking as females respondents preferred discounts with the ratings 4 and 5 more than males.

**Cinema location** before last as respondents didn't feel the need to increase the number of cinemas in the country so 21% respondents felt that it can be very motivating for them to attend cinemas more. Last option that was the least preferred by respondents is **increasing the number of screens available in the cinemas**; however 41% of male respondents ranked it with 4 and 5 were in the contrary only 24% of female respondents rate it similarly.

## 5.4 Film industry value chain in MENA region

The film industry in the Arab world has key players in value chain like most of other international markets have, however the market is still developing and facing a lot of difficulties in various stages, so it still has a long road before it establishes a strong business. The following will explain the main regional film industry chain players and their main characteristics:

- *Producers* – film industry has been historically dominated by Egyptians and North African filmmakers, but in the recent years there was a great interest and support shown by Middle Eastern and GCC governments in film making, as they started to boost the industry by investments and funds to their national films production. Producers are considered as the main key players in film industries because of their responsibilities in production.
- *Sales agents* – they play an important role in acting as a 'middle-man' between the filmmakers and distributors especially when the film is trying to be distributed outside its region, therefore sales agents can handle the sales of the film rights in different regions.
- *Distributors* – there are many worldwide distribution companies for films, however each company specializes on specific geographical markets and audience, therefore according to the film's characteristics producers or sales agents offer the product to them. The most known distributors who can be interested in distributing Arabic films are Sony classics, Le Pacte, Bac Films, Gulf Film, Itailia Film etc.
- *Exhibitors* – own and manage cinemas which rent the rights of the film to screen it either from the distributor or independent producer(s), their profits mainly come from tickets sales and from beverage and food sale in

the cinemas, and also from advertisements that are shown before film screening. One of the biggest chains of cinemas in the Middle East are Grand cinemas which are present in UAE and Jordan.

## 5.5 Film marketing a case study of film “line of sight”

The case study for the thesis is concerning a Jordanian film which was shot in Amman over a period of three weeks during the month of November 2011. The film post-production stage has been finished but it still hasn't been released to the market. However, ‘line of sight’ has participated only in one film festival called International Dubai Film Festival in the end of the year 2012. The film is directed by Aseel Mansour and produced by Cindy Le Templier who own an independent production company called Shashat. The company's vision is to reach all screens in the region as it produces visual contents that can be screened in cinemas, televisions, webs and mobiles.

Its latest biggest project was ‘line of sight’. The film was established through the Royal Film Commission's (RFC) educational feature film program. The film also won a post-production grant from Doha Film Institute (DFI).

### 5.5.1 Market segmentation and positioning strategy

According to the film producer's vision, the film has to get the maximum number of audience that can reach with the help of communication mix strategy; however the film aims to target specific segments of an audience on the basis of the survey results with the following characteristics:

- Age group of 15–39 years old, the targeting of people older than fifteen is mainly based on the view side of the Arabic culture, the rating was mentioned by the Dubai International Festival classification to be **15+**, which indicates that no younger than 15 years old is recommended to watch ‘15+’ rated film. On the other hand, when comparing this classification with British or American one, it can be considered to be more or less as a universal category, due to the lack of any violation, sex or abusive language mentioned in the film. The film targets up to the age of 39 as according to the questionnaire results 71% of respondents belong to the age of 20 to 39. Regarding the gender; both males and females are targeted equally.
- Audience that likes to watch movies as according to the results of the survey 67% of respondents ranked themselves as movie lovers.
- Audience who attend mainstream cinemas frequently, these mainstreams are considered to have the largest share of cinema audience which has also been verified via the survey results that 79% of respondents attend mainly mainstream multiplex cinemas.
- Educated people especially those who reached their highest education as university, college or secondary school and people who prefer ‘Drama’ as it came third most preferred genre among respondents, furthermore, both factors genre and education are depended on each other (p-value of

0.01422 and with contingency coefficient of 0.2636186 indicates a medium dependency level of these two factors).

- Audience living in Jordan especially in large cities or university cities that contain large number of students.

Many marketers consider *Market positioning* to be the one the most important factor in establishing a good brand image into consumers mind, and by using the right communication mix, the product can benefit and differentiate itself from competition. In relation to the competition among Arabic films, especially “Jordanian” originated films, the survey shows that image of national films are very negatively positioned among respondents. Almost 64% of respondents answered that don’t watch Jordanian films, the reasons behind this response was explained by the majority of participants with the following reasons: the lack of creativity in stories addressed, low standard in terms of acting, directing, also a lot of them mentioned bad marketing and publicity, respondents explained that there is a lack of awareness and accessibility to watch national films, concluding that they are not aware of an existence of such industry in the country. Another reason of their negative viewpoint is the insufficiency of actors, producers and directors present in the country, so they assume that the people who make the series that are screened on the national televisions will be the same ones who make films, so it gives a message that the film characteristic and type is the same as what is shown on TV, so initially they become uninterested to watch it. Respondents has been asked about their preferences among foreign films and national films due to their negative image towards national films almost 58% of participants preferred foreign other national, 24% felt no difference between the two and only 18% leaned towards national films.

At the moment, there is almost no competition among Jordanian originated films not just because of the negative image about the industry products but also there were only four long featured films produced in the last three years and all have been already released into the market. The only two competitors that are present in the market are Egyptian originated films and American originated films as presented from the statistics that they are the most watched in cinemas. Also the survey showed that most of respondents watch foreign films in cinemas and their top three favorite originated films are American, British and Egyptian. But on the other hand all respondents are eager to watch more interesting films than what is offered now in the cinemas therefore this an opportunity for the filmmakers to enter the market and compete with other films.

Therefore the best way to differentiate this film from competitors and gain the audience interest to watch the film is by concentrating on the script of the film – meaning the quality of the story line of the film and the genre that it presents, these are the main things that should be applied in positioning the film.

### 5.5.2 Marketing mix

Marketing mix components are very essential for establishing a right strategy that will provide a passage for the film to reach targeted segments. The following will emphasize on the key elements that should be considered when offering the film on the market.

**Product** – the product is a final product that is offered to consumers who watch films in cinemas or at home by using other media which will be considered into more details under the distribution element of marketing mix. The film has the following product specifications:

- Film genre: ‘Suspense Drama’
- Film type: long feature narrative film
- Film length: 84 minutes
- Film origin: Jordan with French co-production in directory of photography.
- Film language: Arabic dialogue with English subtitles.
- Technical specifications: colored film, application of Red camera, Digital Cinema Package (DCP), it is world-wide standard for screening films on a digital projector, it’s also known as “D-cinema”.

**Price** – the process of selling a film to a distributor differentiates from type to another so as the price ranges. The film hasn’t been sold yet, therefore the best way for a ‘line of sight’ film at this stage, is to apply a *penetration pricing* policy so best is to charge and set a relatively low price in order to be able to gain a market share with other originated films that are available on the market. Also there a different strategy can be categorized under *buyer-based approach* where distributors push filmmakers to agree on prices or revenue percentage, as noted from the interview with the producer of the film Cindy Le Templier said that “the deals that are made with first time filmmaker usually don’t have minimum guarantee, so there is a split of revenue” so it means that the rights of the film are shared, not sold to the distributors and/or exhibitors so they intend to not to risk their money on buying the product, so they rather set and negotiate the percentage that the filmmakers will be able to obtain depending on the level of the final sale of the film to its consumers. She also added on the matter of minimum guarantee, that it can be achieved in case the film is considered as a strong one (has a strong story) and is selected to be exhibited in some of ‘A’ list international festivals, otherwise it is very difficult to set a different strategy of pricing that suits the filmmakers better.

Therefore in reality the process of pricing a film is very difficult and can’t be set in accordance to competition prices especially when the industry is still developing in the region and there are few distributors, exhibitors who control the pricing level of those emerging filmmakers and due to the presence of few dominant originated films in the market, makes it even harder for them to establish a demand-pricing strategy that can be set by consumers because the prices of tickets are almost set at a fixed rates in accordance to cinema type.

The cinema ticket pricing differentiate in relation to type and region of the cinema, the multiplex cinemas are always considered to be the most expensive ones, but sometimes independent cinemas which are more specialized into screening films that are produced by independent filmmakers, can also offer same prices as the multiplex ones or less, depending on the ratings that are set by films distributors. Other independent film theaters are second-run cinemas that offer films at a discounted rate price as many of screened films are old, historical or more of artistic categorized films.

**Promotion** – this element is the key and the most important one that can enable the film to reach its targeted audience. Promotion plays an essential role in providing information about the existence of such new industry field, especially to the Jordanian consumer. The promotion strategy can be divided into three main stages, where each stage has certain tools and methods that where should be applied with the respect to the following respondents answers.

The results from the online survey of films consumers suggesting that the best ways to inform them about a new film release is via social media. Respondents rated each of the given methods that were available in the questionnaire from scale one to five where one was the least preferred method and five was the highest, depending on their personal feeling. Social media got the highest mean with 4.64, and magazines got the lowest with only 2.91. The following figure 19 shows the level of respondents' preferences of the given communication tools.

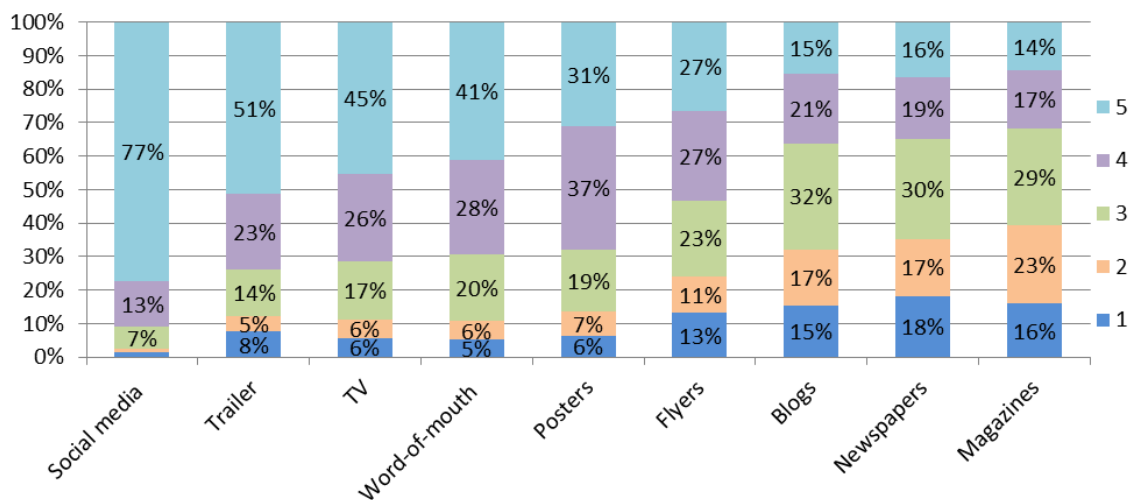


Figure 19. Ways to inform about a new film release  
Source: questionnaire survey, March-April 2013, n= 252

Figure 19 suggests that the most approved method that can easily reach the audience is *social media* with 77% of respondents indicating that it's the best way that can be used to inform them about a new release. *Trailer* is ranked as the second, it is considered as a key element that advertises films to attract the

audience to watch the film and helps the consumer to get a quick idea on the type, genre, story and theme of the film; trailers are usually made for less than 2.5 minutes of various shots or scenes of the film. The survey confirms the importance of the trailer role in communication with the consumers as 51% answered that the best method to inform about a new release and 23% consider it as a good way of presenting information. *Television* has got the third place after the trailer, were 45% assume that informing via TV can be considered as best way while 26% consider it to be a good way to be used.

Another key element used in film marketing is *poster* usually contain an image with text which mostly include the film title, stars name, and release date. Posters are considered here as a mean that provides information about the existence of the film, they can be distributed to various places with sizes measurements; they are mostly seen outside and inside cinema halls, on the streets as billboards, and on DVDs covers, they can be also used as an advertisement materials in newspapers and magazines. From the survey 37% of respondents ranked it with 4 meaning that posters are a good method for providing information about a new release and 31% thinks it can be one of the best ways to do it. A poster can be transformed into smaller version known as *flyers*; but sometimes flyers contents don't have to include images, so it can only contain text with most important information that should be shared, in comparison to posters, the small size of flyers can be easily distributed among consumers in areas such as malls, parking valets, restaurants, universities, etc. This method is rather welcomed by the respondents of way of receiving information about the movie with 53% in total ranked it as 4 and 5 considering it as good way or best way, also the survey showed that males respondents reacted more towards flyers than females, where 63% of males respondents chose the highest two levels were on the contrary 44% of females picked the same options.

*Blogs* in the recent years became more popular in use as people have the ability to express their opinions and views freely through them and interact with their followers who read their blogs, however these sites have their own specific market share and figure 19 shows that respondents have different views about the application of blogs as part of the communication method, as 15% consider it as least effective way, 17% for not effective, 32% as neutral, 21% as good way and 15% as best way, blogs still ranked before the traditional mass media which is still broadly recognized and used as part of communication mix.

Printed mass media such as *magazines* and *newspapers*, however according to the survey results both were least preferred by respondents, magazines got the lowest support with almost 29% of neutral view and with 39% of rather negative responses towards information provision of new films release via magazines, and therefore, this can imply that people are rather shifting away from magazines consumption. On the other hand, newspapers got more of mixed responses of positive and negative, were almost 35% of positive attitude, 30% of neutral and 35% of negative responses.

The communication mix strategy for films mainly consider publicity and advertisement to be the most effective and used elements, however these two key elements will be applied in various methods according to main stages of film's lifecycle:

1. *Pre-production stage*: during this stage there are some marketing materials and elements of communication mix applied in order to bring awareness about the film especially to media and distributors. The most useful method is **publicity** – it mostly starts with a cocktail event made privately for media with presence of the film stars, producer, and director. Part of publicity is also social media via creation of Facebook and Twitter fan pages. Social media comes as a second step after the media spread the information about the existence of new project (film), this helps to create loyal audience who will follow the film during its life cycle and engage into word-of-mouth which will help to increase the number of potential consumers, as it also shown by the survey results that 41.27% of respondents ranked word-of-mouth as a best way and 28.17% as a good way to be informed about a national film release. This proves the importance of social media and publicity to be engaged during film cycle. Materials that are used for the purpose of publicity at this phase are:
  - Posters: they are made at the earliest phase for the purpose of publicity, especially at the press conference for the film launching event.
  - Procures: provides basic information for press and media of the film's synopsis, actors' biographies and their roles in the film, and the list of filmmaking crew including the director(s) and producer(s).
2. *Production stage*: social media play an important part as audience can get exclusive updates, pictures, behind scenes videos, funny videos that were taken during the shooting, interviews, etc. from the shooting and production sets of the film, however, this stage might seem to be not of much importance from the marketing view because all the concentration is on making the product itself, but on the contrary it is rather an essential one in building potential audience and creating a *pull strategy* directed at the final consumer of the film, in order to encourage them to demand for it, this can help in pursuing distributors and exhibitors (cinema owners) to consider in buying the film.
3. *Post-production stage*: after the shooting has been finished the film goes in a very long process known as post-production – the most significant phase where the film goes through is video editing, sound editing, also there is special visual and sound effects addition to individual scenes. It also includes music addition, color correction, and digital screen formatting is introduced for theatre screening. This is more or less considered as dead period in terms of communication with potential audience due to application of the mentioned technicalities. Therefore, this stage is the perfect stage for

filmmakers who are independently distributing the film to do a market research for best communication methods in terms of advertisement tools and prices, in order to consider the needed budget, methods and schedules needed for publicity, etc. which will be used in the most important marketing phase for the film which is known as the prior phase of the *release date*. Also they should keep focusing on social media materials and behind scenes videos and teasers that can be shared.

4. Pre-release date: as like most of film markets, film are release date always starts in window system (cinema screens), release date is the date when the film is determined to be either a success or fail, therefore at the pre-release phase, the right application of the communication mix must be at its highest efficiency level, and advertisement has to reach its exact target especially when the budget for advertisement and printing is considerably low. According to the results from the survey and combining it with the marketing schedule, some of the following methods should be implemented at this stage. First and most important element is the film trailer; it can be advertised into various channels such as TV, and via social media that provide paid advertisement, furthermore, because Facebook is the most used social media in Jordan; so it will be used as the main channel for advertisement. Facebook offers 2 basic ways:
  - a. First one is by promoting the trailer post on the fan page, the website offers different rates for each estimated reach (people who like the page and their friends) with a duration of 3 days from when first promoted, these prompted posts appear in news feed page, these given rates can be only applied for this film because rates are reflected from several factors including the geographic location of the post:

Table 3. Cost and estimated reach of post promotion on Facebook

Cost	Estimated reach
\$5	4.6k–8.5k
\$10	9.1k–16.9k
\$15	13.3k–24.7k
\$20	18.2k–33.8k

Source: Facebook website rates, 2013. Note: k = 1000 viewers

- b. Second way shown in table 3 is by promoting the trailer at the side of the website page, where advertisements are specified to be placed by the method of CPC, this means that the company is charged per click, with maximum budget of \$10 per day for a period of one month. Demographic and other variables that are important for the targeting plan were specified.
  - c. In the case of advertising the trailer on TV, the most suited national channel which mostly aims for age range from 15 to 45 years of age, is 'Roya TV' during the peak hours that shows youth programs which start at 21:00



during week's days. The average cost of a daily one minute advertisement on national TV that will be put twice in hours of youth programs that are aired during week days for duration of two weeks is approximate \$14,500 (source: Internal materials from the company, 2013).

- d. Other key element that is needed for advertisement is printing the film poster; it can be distributed in magazines and newspapers, also on the streets as billboards. Due to the decrease in the number of magazines readers in general and this survey results, the poster can be printed only in one magazine which has the largest market share and it is one the most read in Jordan, it is called 'Layalina' magazine, the magazine is available in Arabic language in most of the countries in the Middle East, but however the magazine's monthly editions are localized for every country. Regarding local printed newspapers, the average cost of printed colored poster for whole page for one day is \$6000, which is very expensive for trying to target the segment in duration of one day; therefore it is better to advertise on the websites of those newspapers because the number of audience is much higher than printed newspapers. Other mentioned way to distribute film posters is distribution at specific streets that are considered to have daily traffic and such streets that lead to the cinemas parking, were people mostly notice such advertisements. Last and not least in relation to printed Ads are flyers; they are the cheapest and easiest method to inform audience about the release of the film, flyers can be distributed in cafes that support other business to leave distribute them such as books@cafe, Rotana café, etc. Also universities and their campuses, especially big universities such as Hashemite university, Al-Ahliyya, Applied Science Private, Jordan University, and Yarmouk university, also most important institutes that teach film and media industry are Jordan Media institute, RISCA, and SAE institute.

*Publicity* must be very intense during the phase of pre-release; there are many mediums through which publicity can be applied through, the role of media coverage and interviews with the stars, director among TVs, radios and magazines must be intense, the most useful step to achieve it by organizing a press conference with private pre-release screening of the film for media, distributors, including critics and bloggers. Critics and bloggers reviews and feedback is important because of their influence on certain audience who like to consider their opinion before choosing to watch the film.

***Place (distribution)*** – for independent filmmakers the best timing for finding a distributor for the film is to start searching for a distributor even before shooting the film (pre-production stage) which is not an easy thing to get especially when the filmmaker is considered to be a starter. Right now as the film has been screened at Dubai international festival but hasn't been exhibited at multiplex or other cinemas resulted with a refusal of some distributors to even see the film with reasoning that it was exhibited at a festival, so right now the best way is to get a distributor is by being selected to participate into 'A' list

festivals that are remarkable for them such as Cannes, Locano, Toronto, Sundance, Vannese, Tribeca (Cindy Le Templier, 2013).

The first stage of distribution is to exhibit the film at cinemas, as the producer is considering to proceed with own distribution in Jordan, as it is very difficult to do for the whole Middle East at this moment, so starting with Jordanian market and because of the variety of types of audience that attend the cinemas in Jordan, she is hoping to distribute the film into at least of cinema types or even at all of them, these cinemas are the multiplex which is Grand cinema, Prime cinema, City cinema and the independent cinema is Rainbow Art House Theater.

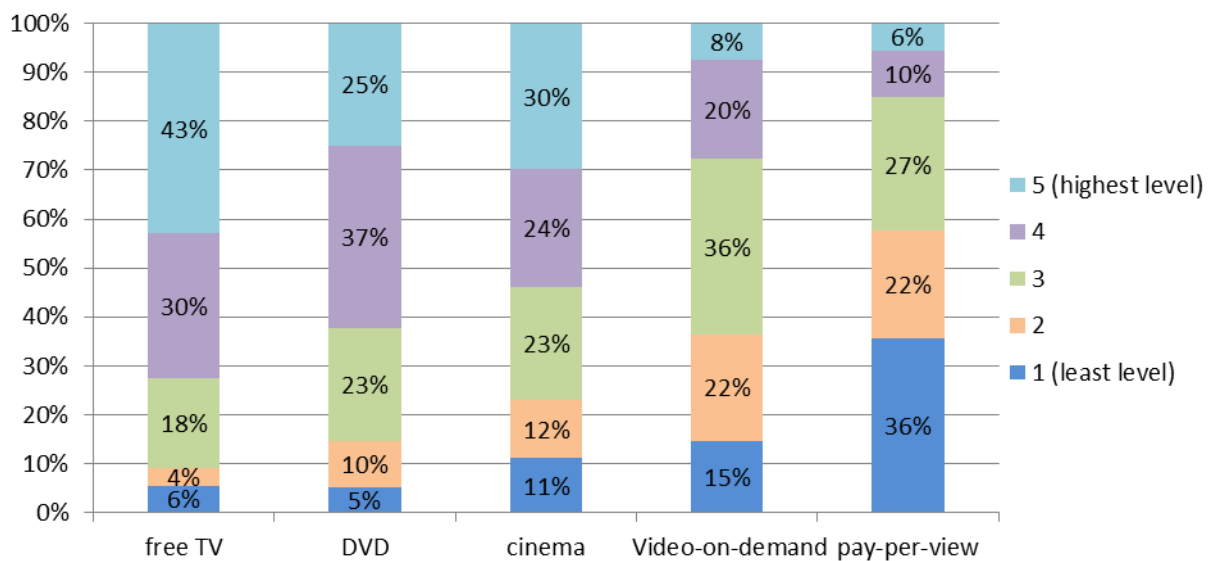


Figure 20. Preferences of methods used by respondents in order to watch national films  
Source: questionnaire survey, March-April 2013, n= 252

According to the survey results, the most preferred distribution channel that respondents picked in order to watch their own national films is via free TV as 43% of respondents ranked on the scale from one to five with the highest level. The mean and median of this distribution channel was 4 were the mode was 5 and the standard deviation counted for 1.12 showing that there is a spread among the answers. In the second place came distribution via DVD's as respondents mean result was 3.67 and this result was expected as price level of DVD's are not high in the country and people can easily get them.

Unfortunately respondents picked cinemas as their third option in contrary to previous findings about foreign films were cinema was respondent's most favorite method. The mean that was calculated from respondent's answers was 3.49 and median of 4. The least two methods that were selected by respondents were video-on-demand and pay-per-view these results are quite similar to the question that was concerning foreign films. The means for video-on-demand

was 2.84 and for pay-per-view services it was 2.27, and the medians for these two options were 3 and 2 respectively. Furthermore, it can be seen from the figure 20 that pay-per-view had the most negative preference as 36% of respondents ranked it as the least level the preferred to see through it national films.

**People** – in relation to film industry the reference to people here must be directed at the actors in the film, director, producer and the whole filmmaking crew. Each of them has a different importance to different groups, where for example the film actors can influence consumer's behavior towards the film, were as the actor is considered to be a star and famous, helps the film to create a good image among potential audience, certainly among those who are loyal to follow and watch certain star's work. This also can be applied to director but in most cases directors are being noticed among final consumers when the industry is developed such as the American and/or noticed among people who are specialized or interested in such media and entertainment industry fields. Therefore the director and also the producer experience and recognition among competition gives a good impression for distributors and exhibitors to buy the film.

With all the mentioned factors, the most important secret of making a good film is the team work and professionalism of the whole crew including actors, director during the shooting of the film, because once the film is shot, it's time consuming and very costly to re-do any specific scenes. The whole crew number was 40 people of working on the set, and many more who worked on the post-production phase.

**Physical evidence** – when considering the film as product, it can't be interlay classified under goods or even services, because the film is being consumed in sense of watching, so the physical evidence can be applied in various situations. First situation where it is mostly applied is at film festivals; however, some films don't consider the implementation of physical evidence as a priority during festivals, but it can be applied using some tools such as:

- Film Postcard: to be mailed and circulated during film festivals to increase viewership, and to potential film sales agents and film critics.
- Press kit: written document that contain short and long synopsis, list of crew members, and contain an interview with the director and actors, photo material etc.

Second situation that physical evidence plays part in is during exhibition phase were in cinema the film poster can be seen and also as the cover of the DVD. Product placement can also play part of physical evidence as the sponsored type of car is presented in the film, but product placement will be explained in the partnership section.

**Process** – the main three processes of film making are pre-production, production phase, and post-production. Where in each stage have different requirements and responsibilities to be achieved. During the first process pre-

production, the script and scenario are written, actors, crew and producers are selected, were the main responsibility of film producer finding the means to make the film by various methods such as applying for funds given to filmmakers, finding sponsorship and implementing a product placement strategy. They are also responsible to finding a distributor and in case of self-distribution, and then they are responsible for distributing the film into exhibitions. On the other hand, the executive producer is the main responsible of the preparation of the shooting, so executive producer has more input into the production set than the main film producer. However, there are many positions that have different and essential role during this phase especially when the shooting session is short (less than month), it causes a lot of pressure of each person working on the project, so making this process as the most important process in terms of production. Second process is post-production phase, where the concentration is on finishing the film and adding the last effects on it. Filmmakers can also apply to get funds on their post-production as 'line of sight' did and got financing from Doha film institute (DFI) for post-production that helped in allowing filmmakers to improve the quality of color, sound and addition of music effect that is made only for the film. Each and every process has its own tasks that should be achieved with the implementation of right promotional and publicity strategies that were mentioned in the promotion section. Furthermore, the producer didn't consider any feedback method such as 'test screenings', way before the film is finished, as a group of people watch scenes of the film according to the reaction of such study group the film scenes are changes or marketed, she said that it could be a good way to know how market the film, but because there isn't much competition in the area especially that people in Jordan don't even know about the existence of Jordanian film industry, so it would be better to make a general questionnaire to get general idea about how to market it in the area rather than using expensive methods such as test screening.

**Partnership** – plays an important role in the financial aspect of the film, as it generates the means that can be used for producing and promoting the film. One of the main partners is a private national TV called 'Roya', this partner handled the main coverage of most of the events that the filmmakers had done, also helps the film in terms of publicity, as interviews and reports were made on constant basis during the pre-production and production processes. Furthermore, the TV will assist in promoting the trailer of the film via its channel, where in favor of letting the TV to be the first to show the film when the film life cycle is at the stage of free TV screening. Another important partner is the known car company 'Hyundai' which has placed into the film one of its latest luxury cars and the car type will be used to drive the stars to the film towards the cinema that will screen the film premiere in Jordan. Besides the mentioned partners there were other sponsors that had helped the film in various in-kind and sponsorship forms, these are: LG, Sheraton, Regency Hotel, Pepsi Co, Air France, Slate, and M.A.C makeup.

### 5.5.3 Marketing budget calculation

When the marketing budget for the product is low, it is difficult to reach the set target for a relatively long time period via various advertisement channels. So the main focus is to find the best channels that can be affordable by the filmmakers, the following table 4 examine the marketing budget for the film 'line of sight'.

Table 4. Marketing budget of the film 'line of sight'

<b>Material/activity</b>		<b>Cost in USD</b>
Newspaper (online version)	Fixed rate/month	1273.00
Facebook Ads ((40/3 * 5)+(10*40))	Approximate rate/40days	467.00
Advertisement in magazine	Fixed rate/month	1697.00
Billboards at side of roads	Approximate rate/month	300.00
Press material (procures, press kits)	Approximate rate	1415.00
Posters, Post Cards & Business cards	Approximate rate	920.00
Flyers (no.1000, includes 2 colors)	Fixed rate	143.00
Trailer and teaser editing	Fixed rate	4200.00
Social Media personnel	Fixed rate	1415.00
Graphic artists	Fixed rate	2000.00
Cocktail film launch and private screening event	Approximate rate	950.00
Festivals representation (admission fees & flights & hotels)	Approximate rate	15000.00
<b>MARKETING TOTAL</b>		<b>29,780.00</b>

Source: Own work form internal materials, 2013

When examining the table. 4, the costs are divided into approximate and fixed rates. Starting with the fixed rates, these are the rates that were already been paid or agreed on, for example the advertisement on one of the top read newspaper in the country, the placement of the advertisement (poster picture of size 185×185) will be at the side on the main page, similar conditions are applied for the magazine but the poster will be on the full page. In relation to flyers it will contain the basic information about the film release and places of exhibition, also there will be a very short synopsis about the film. There are

other fixed costs that are added into the budget, these costs are accounted for social media personnel who worked during the production stage, and for professionals who prepared the film marketing materials such as trailer, teasers.

The approximate costs are those that can be changed due to impacts to different circumstances. The main advertisement tool that is applied via social media, can be approximate cost of having the first Ad type that costs \$5 per 3 days and the second type of CPC with daily budget of \$10, both for a period of 40 days, however due to the advantage of the feedback facility that is offered by the website, the budget can be changed at any time during the advertisement period and the cost range can be set accordingly, therefore depending on how well people are interacting with the advertisement, the budget can be either decreased or increased.

Depending on the festivals results of the films that have applied to participate, the budget for the tickets and accommodation of filmmakers will vary accordingly. The producer has applied for 22 international festivals including the 'A' list festivals, till now the film had its world premiere screening in Dubai International Festival, the producer stated that she is still not sure of the number of festivals the film will contribute in as most of the festivals results have not been published yet. Therefore, other marketing materials that will be mainly used at festivals will also vary in range depending on number of festivals that the film will attend.

Considering films marketing budget in general this film's budget is low as there is no financial support from any institutions in relation to marketing the film, so the filmmakers decided to finance this budget from their company's revenues especially earned from commercials. The importance of commercials in multimedia industry concerning this case will be examined into more details in the next section.

## **5.6 Importance of commercials**

The marketing budget can be financed through various ways such as getting financial means from private investors, distributors, through loans, and from revenues that can be collected from business activities that filmmakers engage themselves into.

In relation to this case and the portfolio of the company that 'line of sight' filmmakers own, suited best to choose profits generated from commercials as one of the main sources in financing the marketing budget of the film. There are many differences between commercials market and film market. The main difference between them is that commercials are B2B business while films are B2C business as the film will be distributed independently in Jordan. Commercials market is always based on the customer's request in terms of content and visual view of the advertisement. In other cases the customer gives the production company the idea and main information about their campaign and producers create different creative ideas and represent them to the client

and accordingly they select the best one(s) to be shot. Therefore the production company is tied to the final decision of the client were in the opposite case of films the director has the freedom to express his/her ideas freely.

However, commercial business is very important for providing the means that are needed for the company in relatively shorter time than production of TV series or even films. Especially in the case of long featured films they are usually a time consuming projects which take up for years to be finished and released into the market, whereas commercials take only approximately several weeks. In relation to the commercial sectors in the Middle East, the company believes that the new trend of the most effective type of commercials that they concentrate on are the 'viral advertisements' also known as part of 'online branding' the advertisement's main creativity is based on entertaining content that are specially made for the online world through videos and social media campaigns. According to the company's experience and feedback that the company has from this type of business shows that their most effective commercials were those which were done for brands or companies in the region, the internet based commercials that were spread among internet users in user friendly way.

It is also presented in Deloitte's media predictions report for Middle East in year 2012, that the traditional advertising sector will grow only by 5%, while online branding will be raised by 50% to an estimated US\$20 billion, as more companies are looking for building a long-term value for their brands via the digital world because this method offer a bigger return on investment (online Deloitte, 2012).

Regarding the commercials business any company operating in the Middle East should know some of the main differences in the cultural sensitivity towards advertisements contents especially when comparing it with European and American markets. The most important topics that should be avoided in the region is religion, political views and also the feminine element that is typically used in Europe and America, if this element is used in the MENA region, the advertisement should not include any extreme revealing of women's body or any sort of sexuality in the advertisement, therefore this kind of limited censorship on media contents. Despite the fact of the Arab spring events that happened in the past few years, still there isn't full freedom rights for media, as most of the countries in the region apply a self-regulatory content control but at the same time whether an advertisement is printed or visual must pass through countries municipalities before it is released.

## **5.7 Environmental analysis for the case study**

This section will be concerning environmental analysis for the company that had produced the film 'line of sight', this analysis consists of external analysis where it includes opportunities and threats and internal analysis which is based on strength and weakness of the company.

### **5.7.1 External analysis**

#### **Opportunities:**

- Film industry is still at its early developing stage in the most of the countries in MENA region.
- The opportunity of getting financial support through grants and funds from various Arab film institutions such as Royal Jordanian Commission, Doha Film Institute.
- The increase in number of international film festivals in the MENA region and Gulf countries.
- Rise in the interest of foreign filmmakers to shoot and produce their films in the MENA region.
- Introduction of new methods of films distribution channels ex. Pay-per-view and video-on-demand.
- Introduction of new film schools and institutions that teach film making and media production.

#### **Threats:**

- Political instability in the MENA region which affects nation's securities and lives.
- Presence of illegal streaming and downloading of films around the world which affects distributors and exhibitors.
- Negative perception of national films and lack of support from Arab audience to demand for their national films.
- Lack of distribution companies in the Middle East.
- Unwillingness of main stream exhibitors to take risks in screening films from first time filmmakers in the region.
- Continuous dominance of American originated films in the Middle East and rest of the world.

### **5.7.2 Internal analysis**

#### **Strengths:**

- Strong story line of the film which enabled it to win two grants from RFC and DFI for production and post-production.
- The film reflects the positivity and the negativities that are present in the Arabic culture especially the Jordanian one.
- The film is Arabic language but it has also English subtitles which enables non-Arab speakers to watch it too.
- The main characters in the film are well known stars in the Jordan and also in the Middle East.



- Presence of professional filmmakers on the set and co-production with French experienced team.
- Strong motivation among team members who worked on the film to produce and continue in making films in the future.

**Weakness:**

- Small budget for marketing and lack of financial means for marketing.
- The film had its world premiere in DIFF which made distributors refuse buying it.
- The director and producer are first time filmmakers for long feature film, therefore they are not very known in the market.

**5.8 Recommendations for the case**

The company should consider the results of the survey to select a right marketing strategy that will help the company to effectively bring awareness of the film and succeed in targeting its segments.

In relation to competitors the main competitors are American originated films and Egyptian originated films that are the dominant in cinemas and in addition to that, both have been preferred by the respondents as they were ranked among the top three most liked originated films, thus these two competitors have the advantage in terms of exhibition as respondents chose cinemas to be their first distribution channels which they mostly use in order to watch them. Whereas on the contrary respondents main distribution channel that they consider to apply for watching a national film is free TV and then followed by DVD's and as third is cinema, so it brings a challenge to all national films to bring profits from the exhibition at the cinemas.

Therefore, the marketing strategy should focus on the genre of the film as it is ranked to the third most watched genre among respondents thus indicates an opportunity for the film to compete with other foreign films of the same genre and be distributed in multiplex cinemas that are mostly attended by respondents, so the producer should really negotiate to distribute its film in this type of exhibition chain. One of the key factors that are needed to attract the audience is the story line of the film this element will help in differentiating 'line of sight' from other films. This can be done via application of the right communication mix and with the application of right factors of strengths and opportunities that the film has.

Starting with target market, it is important to define targeted segments where with the help of the survey respondents these segments were been able to be identified. Therefore the film must target audience who consider themselves as movie lovers who attend multiplex cinemas and like to watch 'Drama genre', they should belong to the group age of 15–39 years and reached at least educational level of secondary school, the main location of such audience must

be in large cities where is higher number of population and university cities where students are mostly concentrated.

Regarding the marketing mix, the company should concentrate the most about the promotion as it is the most important element for the film to bring the largest number of targeted audience to watch it, the main focus must be on the social media as it the most popular method among respondents that can bring an awareness about the film and also be can be used as an advertisement channel alongside with the television for the trailer. In addition to that, it is very important to apply methods that will increase the effect of word of mouth among targeted audience; this can be done via releasing behind the scene videos of funny moments or mistakes that happened during the shooting, pictures of stars and crew members of the film with small description of their job at the set, short teasers of some parts of the film, and live online interviews that are directed only for group of fans that can integrate live with the stars of the film.

For the communication mix; stars are the most influential factor that must be taken advantage of when promoting the film. Actors have a greater influence on male respondents than females thus concentrating on males especially in terms of publicity where stars can be interviewed on shows and programs that have high percentage of males audience.

Also it should be kept in mind that even though posters are important for advertisement and was ranked as fifth elements that can inform respondents about the film but in contrary generally respondents don't consider posters to be an attractive factor that can peruse them to watch a film. Therefore the placement of posters must be few and well designed especially in the areas where people can see it easily and mainly to concentrate on distributing posters in the cinemas that it will be screened. On the other hand due to the negativity towards the national films and low support of audience to watch their own national films, it best challenged by proving that the quality of the film is high and that the story line is strong thus making it the hardest challenge to do especially when the film is not released and it success is rather depending on the audience number who will attend the cinemas to watch it and next is distribution via DVD's and other channels. Therefore it should start by bringing awareness about the existence of the film exclusively to students who are studying at universities by distributing flyers and providing a seminar about the film industry in Jordan that can be conducted along with Royal Jordanian Commission and other filmmakers from Jordan. At the moment national films are positioned as entries to the market therefore it will time and effort for them to make audience demand for national films and be able to compete strongly among other films.

### **Strategy selection and control**

According to *Kotler's strategies* the national films and the film 'line of sight' produced by the company Shashat must apply market niche strategy that is focused on audience who live in Jordan, like to watch Arabic movies especially the 'Drama' genre, due to low budget of marketing the film can't use attacking

strategy in terms of advertisement, therefore the best to gain the market share is by applying intensive social media and publicity plan into the strategy.

However from *Porter's* view the best strategy to apply is differentiation strategy, as each film is unique one and this film has the opportunity to show audience a new type of films which locally produced and reflects the Jordanian culture therefore presenting it in a new form of art which is visual art.

Regarding *Ansoff's matrix* the organization and the product itself in film industry business is still in the first quadrant which is penetration stage, as the film is trying to gain a market share in the Jordanian cinemas market, therefore the producer should apply the best marketing advertising and publicity plan in order to gain an awareness among consumer about the existence of the film 'line of sight'.

The company should implement and control the marketing strategy in regular basis from the start of production till the release date of the film into the market, it is very important to apply the feedback facilities that are offered on the social media websites, which can help in giving the filmmakers an idea about the audience interaction with the film, and accordingly the marketing plan can be adjusted through the phases of the film life cycle. Another method of feedback that will be used is the tickets sales which will provide the main information about the level of success of the film, which also can help remarkably in the adjusting the intensity of the advertisement and publicity of the film in the first days of exhibition that can help in increase the audience number during the time period of screening in the cinema and the longer it is the better and more profitable can be.

## **5.9 Recommendations for multimedia productions**

Multimedia productions that are considering entering the film industry as source of income besides doing other forms of productions or commercials, should consider the differences and trends that are observed in America, Europe and Arabic countries. The main point and the most important one for any new independent filmmaker to be aware of is the difficulty in finding a distributor who is willing to market and sell the film to final consumer and/or exhibitors. The distribution problem is present commonly among these mentioned regions. There are many factors that are making distribution a challenge for most of independent filmmakers. One of these factors is the global dominance of Hollywood around the world, where distributors from other countries tend to distribute American originated film from Hollywood because of audience biggest interest and demand is directed towards these films, therefore from the point of view of distributors Hollywood films are the most profitable ones and least risky ones to invest in. Besides the presence of Hollywood, the competition over finding distributors among independent filmmakers around the world is so high, that sometimes new filmmakers feel rather lucky and successful when their films has been successful to be distributed by major distribution studios.

Another challenge that is mostly present in Arabic countries and in Europe is finding private investors for film industry; the main reason behind it is high risk that the investor is being involved in when investing into feature films. Furthermore, these two regions are mostly dependent on grants and funds distributed yearly from various institutions such as Eurimage, Doha film institution, RFC, etc. These grants are given under certain conditions that are set by them, the most common one is the reflection of culture in the film, as their main aim is to support artistic value films rather than commercial ones. However, these financial means have been decreased over the past few years due to the latest impact of the financial crisis in the world, therefore less money to be distributed and greater competition among filmmakers to get these funds.

On the other hand there are many opportunities that can be implemented by new filmmakers, such benefits are the introduction of new distribution methods that can be implemented directly via producers, such channels are video on demand either through TV with VOD system or via online distribution, this trend is present mostly in America and partially in Europe, unfortunately it still developing for the Middle East and people don't know much about it. Online distribution is an online streaming place for consumers where they can watch the film directly after buying or renting in form of per-view. So it's very easy to adapt and it more of user friendly distribution format as audience can interact fast with the film especially when they find out about it with the help of word of mouth and recommendations or reviews, thus direct online selling makes it easier for filmmakers to apply this method of distribution alongside with the traditional distribution channels which are cinemas, DVDs and televisions.

Other opportunity that was pointed it out in the survey is the factor which motivates respondents to attend cinemas more often is the screening more interesting films that what is offered now, this indicates that there is a demand for new stories and films to be introduced into the market which should give independent filmmakers motivation to enter and develop the film industry. In addition to survey result, it has been noticed that for the past few years that American films are remaking hit old movies with different technologies, and/or having different actors and small changes are done to story line.

In relation to budgets that are needed for promoting films, producers need not to be so afraid of their low marketing budgets, as nowadays it doesn't have to be in millions as most of Hollywood movies are still based on, due to the presence of social media which has changed the trend of marketing strategies for almost all businesses around the world. The biggest advantage of social media is the low-budget marketing that can be offered in user friendly way, which also can be transformed into viral one, if it is applied properly by the marketers. Social media websites enable the make of free advertisement through fans themselves by concentrating on making them interact and create an emotional connection towards the film in order to share and recommend

others to watch it, thus it help in developing word of mouth strategy to reach its targeted audience and maybe even reaching other untargeted segments.

Furthermore, the marketing budget of a film can be financed through various ways and can be structured according to the portfolio of the production company, however due to the linkage of commercials business into multimedia productions, it can be considered to be a source of revenues for the company that can be captured in shorter period than waiting for the film profits to cover loans taken for marketing purposes, and also from the financial point it is safer source for spending on company's project. Therefore filmmakers can consider this option but it mainly depends on type of market that the entity operates in. but in the main difference between these markets that a filmmaker should consider is the differences between film industry and commercial one making commercials is a B2B where director can't always express his own vision freely in this type of business and also should consider the culture in where the commercial will be viewed in order to avoid any cultural sensitivities towards it.

International films festivals that are present around the world can be another example of an opportunity for all entities from these different three regions to engage themselves into; however there are always a limited number of films that can participate in any festival, so depending on the level of the festival's prestige the more qualified films participate into. The importance of such festivals like for example Sundance festival is the presence of distributors and exhibitors from around the world who select number of films to distribute, but filmmakers should be careful about this point as case study film 'line of sight' producer though that this trend is applied also in Dubai International Film Festival but it is not, as some of distributors informed her that once the film had its world premiere in any cinema even though it's under a film festival they become not interested in even watching the film, unless it wins any prestige price or an award in a known festival.

Festivals also provide a meeting point for filmmakers to share experiences and learn from others about their views, techniques, and culture which can open up a path for co-production among different countries, which can bring the quality and development of the industry to a higher level. This has been shown in the past years in MENA region as the interest of international filmmakers has increased and the co-productions especially between EU countries and Middle East has significantly risen in the past ten years.

Regarding the case study 'line of sight' filmmakers can benefit from the survey study in terms of application of the questionnaire to learn more about consumer's behavior and preferences as the survey can serve as an example for entities to apply for their countries or regions that they want to market their films in. However depending on this film's success it can give an idea for other new and independent filmmakers on how marketing mix and strategy can be applied for film marketing especially when the marketing budget is low.

## 6 Discussion

The thesis examined films and commercials production in three different regions which are America, Europe and Arabic speaking countries. The main source of finding differences in trends and culture were secondary resources obtained from various previous researches and websites that are connected with the topic, data and information collected from secondary resources provided the bases that were needed to be applied for a case study concerning film marketing for a movie called 'line of sight'. The case study results were mainly based on primary resources collected via online questionnaire written in English language and in depth interview with 'line of sight' producer Cindy Le Templier in order to examine two points of view, consumers' point of view and producer's point of view.

The survey examined consumer's behavior and preferences for the Jordanian market only, results were applied for the case study and also been compared with four Arabic countries that had similar researches. However due to the lack of data available concerning films consumers among the region, the collection of primary data where the best way to obtain a basic idea about it. The survey has some limitations due to time shortage a relatively small sample were obtained as 252 respondents filled the questionnaire via online. Another limitation of the survey is that the questionnaire was in English language, which a secondary language in Jordan, so if the questions were written in Arabic the respondents' number would have been expected to be higher than what was obtained. On the other hand, the formulation of the questions in the questionnaire was easy and clear, so it was understood by anyone who has the knowledge of basic English as most of the respondents answered all required questions, including one open question which provided important information about the negative view of respondents towards their national films.

Because the questionnaire was made for the first time it serves as a general orientation for the market with a main purpose which is observation of trends and the preferences of films consumers in Jordan. The survey results help the producer to finalize the segments that will be targeted and enabled the author to propose the recommendations that are needed for the company to take into account in order to successfully market its film. Furthermore, this research is recommended to be done repeatedly, because consumers behavior and preferences changes over time especially with the continuous development of technology, consumers tend to adapt quickly to these changes and some prefer them over the traditional or older methods that marketers are used to apply, therefore updating the survey and performing it rapidly doesn't only provide an understanding of consumers behavior but also can generate ideas that can be offered to audience along with the implementation of right marketing mix and strategy which mainly concerns distribution and promotion.

The expectation of this survey in the future and after releasing the film into the market might change in some of the issues that were addressed such as the

negative opinion of respondents towards national films is expected to reduce and become more positive in the future. Regarding the distribution channels there will be a conversion towards the traditional distribution channels and films will rely more on online distribution, however it is not known how long will it take for consumers to change their preferences and attitudes towards these mentioned expectations, it will depend on the success of the Jordanian films in the future and on the availability of such new distributions channels.

The thesis can be set as an example for future studies that can be related to this similar problematic and the survey can be applied to more countries or regions that researchers wish to examine. This topic considered by the author to be very interesting and it should be more examined and given more attention towards the importance of marketing about this special type of business as it can't be fully categorized under services neither products, due to the change of the production formats during the films life cycle. Therefore, due to the divergence of multimedia productions in marketing different products such as films and commercials that each has different market, the author is considering concentrating on and devoting her time in her future career.

## 7 Conclusion

The multimedia productions can operate with diverse products as they can produce several products that have different nature and selling processes. There are many products that can be offered by this type of industry; however the thesis is concerning the companies that have in their portfolio films and commercials productions. Commercials or visual advertisement productions are based on B2B whereas films are concerned with B2C type of business.

The aim of this diploma thesis is to suggest a marketing strategy for multimedia productions that produce movies and commercials operating their marketing activities in thee selected regions. As a partial aims the thesis focuses on the analysis of Arabic speaking countries with the implementation of case study that concerns an entity that operates in Jordan. As the company has produced a first time feature film and also provides commercials productions, furthermore a low marketing budget was established and recommendations for the marketing activities for the company were proposed along with other entities operating in the same field.

One of the most significant things that are challenging most of independent filmmakers around the world in this industry is the long term dominance of American productions of films in box office, besides the historical reasons of their dominance as it started with their little contribution in World War I. there are many reasons behind European and other national originated films struggle in competing with the American films for the market share, some of reasons are the low budget of their films in comparison to American movies especially the ones produced by Hollywood studios. Also there is a big difference in the structure of financial investment and willingness of private investors to entrust their money into such business. The difficulty in finding distribution channels outside the origin country of the films especially non-English films.

When considering film industry in Europe, the market share of the EU countries in the last years has increased with 3.2% in the year 2011 showing that European films are getting back some of their market share, but however this growth is still not sufficient and they should encourage their consumers more in shifting their preferences towards their own national films. Till today France is still in the first position among other EU countries in having the highest number of digital screens and its films attracts the largest number of audience when comparing it with other EU originated films. Furthermore, EU film industry is highly supported by national grants and fund given from the European Union, the most known fund is called Eurimage which was established in 1988 in a form of partial agreements among 36 countries (including members that are not in the EU) to support filmmakers who reflect the European culture and society in their work.

In relation to Arabic speaking countries, the region is still developing its production industry, however due to the political instability and lack of distribution in the region, the number of films produced each year by the whole



region is around 11. However, the film industry in the region is expanding and filmmakers are being supported by many Arabic films institutions in order to motivate filmmakers to engage themselves more into film production and introduction of this new business into the area. Also there has been an increase in interest among filmmakers from Europe and other countries in shooting and co-producing films in MENA region, especially in countries like Morocco, Tunisia, and Jordan. These countries' governments are offering foreign directors and producers a flexible regulations, tax exemptions and provision of professional workers that help them to produce their movies at lower costs than they have in their countries, thus it helped in originating many projects that are done in this form of cooperation.

In terms of cultural comparison among the Arabic countries with US and Europe, the Individualism index set by Hofstede and other authors who implemented his work for the Jordanian community, shows that Arabic speaking countries has low Individualism index which indicates that their culture is collective one and thus group influence is bigger on them and they rely on coordinated consumption more than individualistic like countries as US and Europe. Therefore markets should advertise their films heavily through word of mouth and also apply viral advertisements type when making commercials in the region.

Regarding the case study for the film 'line of sight' produced by a company called Shashat located in Jordan, the film was shot and produced within a year and has its world premiere in DIFF, however the film hasn't been sold to any distributor and the producer is planning on distributing it independently in Jordan. Therefore a survey was implemented in the thesis in order to define and analyze the consumer preferences in the country and their perception about their national films, the results showed that the most liked genre among respondents is comedy followed by action and drama. Whereas the most preferred film's language is English as 62% of respondents ranked it first and 37% of respondent like American originated films the most and it is followed by British and Egyptian with 20% and 17% respectively. In addition to the respondents' answers, the total admission of Jordanian cinemas as divided between Americans and Egyptians originated films.

It was interesting to find dependences between some factors that influence respondents to watch films such as actors has an influence on gender, where males tend to be more influenced than females towards actors and stars in their decision making. Other factors that are influencing choice of films among respondents are film trailer, word of mouth, and film genre these factors play important role in film marketing and it should be concentrated on when choosing the right communication mix that will bring an awareness about the film, such communication should be highly dependent on social media as 77% of respondents indicated that it is the most efficient way to inform them about new release. Also advertisements and publicity via television is still considered among respondents to be an effective way of promoting a new film.

In relation to distribution, the survey examined the difference among the preferences of consumers towards choosing the distribution channels for foreign films and for their national films, as respondents chose as their first option to watch new foreign releases in cinemas, where on the contrary their most preferred method for watching their own national films is via free television, where attending cinemas in order to watch them was ranked in total as their third option of distribution. The similar option that respondents agree on to be their second choice is watching foreign and national films via DVDs. Another factor that affects film industry around the world is the illegal free online streaming and downloading of movies that is affecting the industry over the world, thus the biggest challenge is to motivate and attract consumers into attending cinemas more often as this channel is the most profitable one for filmmakers.

Recommendations were mentioned for both the case study entity and for others in general, the most important in movies and commercials industries is to apply social media to stimulate word of mouth method that can help in viral marketing which is one of the most effective methods that can be applied nowadays in marketing strategies. Regarding the commercial industry, entities should consider in providing companies online branding which is based on viral advertisements that is built on entertaining content made especially for online world, thus it helps brands to establish a long-term value for their products. This type of commercials need a lot of creativity which filmmakers can take advantage of as they are involved into such creativity in their field, so commercials business can be used as a source for their marketing budgets that can be used for their films.

In relation to films industry even though most of independent filmmakers don't have the high budgets for marketing activities but can still succeed in targeting its segments and differentiate itself from other offered movies by stressing on the genre of the film and producers should consider the importance of applying publicity and social media into the marketing plan as it can build long term audience who can interact directly with the film and establish word of mouth and free advertisement for the movie.

Another important issue that producers should consider in marketing is the right implementation of distribution channels, due to the availability of different channels during films life cycle, the producers should consider the preferences of consumers towards each channel in order to get the highest audience number and profits.

Therefore, consumer behavior and preferences should be always studied therefore with the help of performing surveys and researches, filmmakers can formulate a better idea about the market they tend to offer their products to and apply the right strategies that are needed to target their audience.

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## 9 Appendixes

Table 5. EU market share by country of origin 2009-2011 (in % of total admissions)

<b>European film by country of origin</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
France	8.8%	9.3%	10.5%
Italy	2.7%	3.8%	4.6%
Germany	4.2%	3.1%	3.7%
United Kingdom	2.3%	3.8%	3.7%
Other European countries	7.2%	6.1%	6.0%

Source: based on data from European Audiovisual Observatory, 2011

Table 6. Five top countries that have highest number of digital screens in EU for 2011

<b>Country</b>	<b>Digital screens number for 2011</b>
France	3 656
United Kingdom	2 724
Germany	2 303
Spain	1 545
Italy	1 485

Source: based on data from European Audiovisual Observatory, 2011

Table 7. Number of screens, cinema admissions and Box office in Jordan

<b>Year</b>	<b>Number of Screens</b>	<b>Number of Viewers</b>	<b>Box Office</b>
2009	36	675,000	3,402,000
2010	36	925,000	5,462,000

Source: own work based on data from Royal Film Commission 2010

Table 8. Number of times respondents watch foreign films per months

<b>Category</b>	<b>Count</b>	<b>Percentage</b>
usually none at all	15	5.95238
Once	29	11.50794
Twice	42	16.66667
3-6 times	71	28.17460
7-10 times	45	17.85714
More than 10 times	50	19.84127



Source: Questionnaire survey, March-April 2013, n=252

Table 9. Results from the questionnaire for one of the questions asked in it.

<b>What role do the following factors usually have in your choice of films you are going to watch?</b>	<b>Mean</b>	<b>Median</b>	<b>Mode</b>	<b>Std. Dev.</b>
Film's trailer	3.916667	4	5	1.159149
Actors/Stars of the film	3.873016	4	4	1.025446
Word of mouth	3.634921	4	4	1.053192
Film genre	3.603175	4	4	1.014472
Film synopsis	3.575397	4	4	1.009058
Language of the film	3.412698	4	4	1.289058
Origin of the film	3.123016	3	4	1.176101
Critics opinion	2.892857	3	3	1.170874
Poster of the film	2.869048	3	3	1.108961

Source: Questionnaire survey, March-April 2013, n=252

## Appendix B

Dear Sir/Madam,

This research is being conducted for a part of a diploma thesis that examines the structure and trend of film consumption; this is a survey about your attitudes, and preferences for films. Kindly answer all the questions that best matches you opinion as this survey will provide us with better understanding about the consumer behavior, trends and market situation of films in Jordan. The approximate time to complete this questionnaire is 10 to 15 minutes. All of your answers will remain strictly confidential and will be analyzed in statistical form.

Thank you in advance for your willingness and cooperation in completing this questionnaire.

Bc. Kristina AL Farova,  
Mendel University in Brno

**Please complete this questionnaire by choosing the appropriate responses or writing in your answers where it is appropriate**

1. Do you like to watch films? \*

Use scale from 1 to 5, where 1= the least level, 5= the highest level

- ☐ 1 I don't like watching films
- ☐ 2
- ☐ 3
- ☐ 4
- ☐ 5 I love watching films

2. What kind of genre of films do you like to watch? (more than 1 option)

- ☐ Action
- ☐ Animated
- ☐ Children's
- ☐ Comedy
- ☐ Drama
- ☐ Documentary
- ☐ Horror
- ☐ Romance
- ☐ Thriller
- ☐ Other (specify)

3. Which method do you mostly use to watch a new film release? (one option)

- ☐ I watch it at the **cinema**
- ☐ I wait until the film is available on **DVD/Blue ray/CD**
- ☐ I watch via online **pay**-per-view stream of the film

- ☐ I wait until the film is available on **Pay** television
- ☐ I download/stream the film for **free**
- ☐ I wait until the film is available on **free** television

4. What role do the following factors usually have in your choice of films you are going to watch?

	(1)I don't care	(2)Doesn't attract me	(3)Neutral (neither attract or no)	(4)Attracts me	(5)Strongly attracts me
Actors/stars of the film	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Film trailer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Poster of the film	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Film synopsis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Critics opinion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Word of mouth (Ex. Friends, family,)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Film genre	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Origin of the film (ex. Egypt)]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Language of the film	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

The following section concerns foreign and national films; please answer below questions which determine types of films you prefer and how strongly do you prefer them.

5. Which of the following film's language do you prefer to watch? (more than one option)
- ☐ English films
  - ☐ Arabic films
  - ☐ French films
  - ☐ Other (specify.....)

6. Do you watch (**national**) Jordanian feature films?
- ☐ Yes
- ☐ No (go to the next question)
7. Please state why you don't watch national (Jordanian) films .....
8. Please choose which of the following **foreign** film's origin you like to watch (more than one option)
- ☐ US originated films
- ☐ British originated films
- ☐ French originated films
- ☐ Other European films
- ☐ Egyptian originated films
- ☐ Lebanese originated films
- ☐ Films originated from other countries than what is mentioned above
9. How often do you watch **foreign** films per month? (one option)
- ☐ Usually none at all
- ☐ Once
- ☐ Twice
- ☐ 3-6 times
- ☐ 7-10 times
- ☐ More than 10 times
10. What is the level of your preference of national (Jordanian) film to foreign one, if you had to choose between the two?  
(use scale of 1 to 5, where 1= I would definitely watch Jordanian film, 5= I would definitely watch a foreign film)
- ☐ 1 (I would definitely watch Jordanian film)
- ☐ 2
- ☐ 3
- ☐ 4
- ☐ 5 (I would definitely watch foreign film)
11. According to your opinion, what is the best way to inform about a new (Jordanian) film release?  
Scale for 1 to 5, where 1= least way, 5=best way

	(1) Least way	(2)	(3)	(4)	(5) best way
Trailer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Posters present in various places	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

TV	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Magazines	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social media (ex. Facebook, Twitter)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Newspapers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Blogs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Word-of-mouth (friends, family, co-workers, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Flyers distributed in malls, streets, valet parking, etc.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. If you had the chance to watch a national (Jordanian) film, rank the following methods that you would prefer to watch the film.

(Note: Video-on-demand systems allow viewers to see recorded broadcasts at any time, but pay-per-view audience can purchase events to view via private telecast. The broadcaster shows the event at the same time to everyone ordering it)

	I strongly disagree	I disagree	Indifferent	I agree	I strongly agree
Watch it at the cinema	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Watch it via Video on Demand (VOD)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Watch it via pay TV	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Watch it on DVD	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Watch it on free TV	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Watch it pay-per-view	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

The following section will be concerning your admission to cinemas

13. What type of cinema do you mostly attend?

- ☐ Multiplex (ex. Grand Cinemas in malls)
- ☐ Independent and second run cinemas
- ☐ Drive-In (car parked)
- ☐ I don't attend cinemas (please proceed to question 19)

14. What are the reasons that **do** influence you the most to go to the cinema? (more than one option)

- ☐ The group pleasure to join others to watch a certain film (ex. friends, family, spouse)
- ☐ The cinema itself has a special atmosphere that attracts me

- ☐ The audio and visual effects that cinema provide (ex. 3D, big screen, sound effects)
- ☐ Popcorn, softdrinks, and snacks that I can enjoy having at the cinema
- ☐ It is my hobby

15. How often per month do you attend cinema on average?

- ☐ I don't attend cinema every month (please proceed to question 16)
- ☐ I attend once a month (please proceed to question 17)
- ☐ I attend twice a month (please proceed to question 17)
- ☐ I attend 3-5 a month (please proceed to question 17)
- ☐ I attend more than 5 times a month (please proceed to question 17)

16. How many times do you attend cinema in the last 6 months?.....

17. How many times did you go to the cinema to watch a national Jordanian film?

- ☐ Never
- ☐ I attended only once
- ☐ I attended 2-3 times
- ☐ I attended more than 4 times

18. How much money you are willing to spend on watching films in total per month? (the average cinema ticket price is 10\$)

- ☐ Nothing
- ☐ Less than 15 \$
- ☐ 16 \$-30 \$
- ☐ 31\$-45\$
- ☐ 46\$ and more

19. To what extent do/would the following factors motivate you to visit cinema more often?

	(1) Very little	(2)	(3)	(4)	(5) Very much
Getting discounts (On tickets, drinks, popcorn and other snacks)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increase the number of cinemas locations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increase number of screens available per cinema	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Introduction of new technologies and designs of films (ex. Similar to 3D)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Screening more interesting films than what is offered now	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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Demographic questions to classify your answers.  
(The following questions are asked for classification purposes only.)

20. What is your gender?

- ☐ Male  
☐ Female

21. To which age group do you belong?

- ☐ 19 or under  
☐ 20-29  
☐ 30-39  
☐ 40-49  
☐ 50-59  
☐ 60 or older

22. What is the composition of your household?

- ☐ Alone, by myself  
☐ With my parents  
☐ With my wife/husband without children  
☐ With my wife/husband with child(ren)  
☐ With my partner without children  
☐ With my partner with child(ren)

23. What is your highest education level?

- ☐ Basic  
☐ Secondary school  
☐ University/college

24. How would you assess the income of your family from the respect how it allows you to cover your costs and to ensure a quality of life?

- ☐ Insufficient (the household needs short-term lending, because the monthly income is not enough)  
☐ Low (basic household needs are covered, but we must limit our spending)  
☐ Sufficient (the household can cover all basic needs- such as food, living costs, clothing, the remaining ones must be limited)  
☐ Satisfactory (the household can cover all needs in sufficient level)  
☐ High (possibility of investment and purchases of luxury product)

25. What is your (predominant) occupation?

- ☐ Student

- ☐ Employee
- ☐ Entrepreneur
- ☐ Freelancer
- ☐ Pensioner
- ☐ Unemployed
- ☐ Other (ex. On maternity leave, voluntary non-worker)