

Independent Films in the Digital Age: A Triumph of Diversity over Scarcity

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In the brief history of film, advances in technology have from time to time challenged and changed industry models. These advances have wrought their most significant changes on independent sectors of the movie business. In the glory days of the studio system, a parallel or serious rival to that system coming from the independent industry would be unthinkable; the cost and challenge of production and post-production was prohibitive, difficulties of promotion insurmountable. The Internet and many new digital distribution technologies are now starting to remove barriers for the makers and distributors of independent films.

{bot_wrgoogle}The development of the 16mm camera and advances in sound technology made it possible, though still difficult, for individuals or small groups of filmmakers to make manifest their vision – something rarely possible in the days of the Edison monopoly on technology, or the prohibitive cost of 35mm cameras and professional lighting setups. The challenges of film making were still myriad, but the development of an independent sector of the industry forced the majors to take notice, though the development of subsidiaries specifically tasked to take note of and distribute promising independent films failed to materialize. Independent film had a narrow audience, generally limited to subcultures of underground or experimental film. (Such audiences were often primarily composed of fellow filmmakers – though it bears noting that in many cases, these self-selecting individuals were not those who would turn out to view a majority of the studio efforts.)

Within the last several decades, advances in digital cinema have furthered a similar and all the more powerful renaissance. High-resolution digital video offers an image quality that rivals that of film stock, while video camcorders, and relatively affordable professional-quality editing software capable of being run on inexpensive PCs have made the production and post-production process possible, reasonable and accessible for a substantial number of individuals. With the resulting increase in the number and quality of such films being made, a resulting cultural scene emerged alongside, but not quite outside, the mainstream.

The resulting boom in independent films has forced major distributors to take notice – and conversely, it could be said that without the involvement of major distributors, a comparable boom of popularity and profitability for independent films would not have been possible. What was once seen as a rival to the Hollywood studios has entered in large part into a symbiosis with it.

Most major studios now have subsidiaries that are tasked with helping to develop or distribute independent efforts. The line between independent films and major studio films has been blurred, with many major studio efforts developing the independent aesthetic characterized as "less commercial, more character driven." A space for independent films has opened in the marketplace, and with it, the gap between major studio efforts and the most successful or talented of the independent film efforts has narrowed.

The chief difficulty for independent films is distribution and promotion; this has historically been a chief advantage of major studios. In a hit-driven culture where the prime method for consumers to approach new films is to be drawn to them in the theater, on cable television or through video rentals as a result of widespread promotion, creators of films that do not have similar resources to widely promote or distribute their works are at a profound disadvantage.

The cost to deliver film prints to theaters can be prohibitive. These costs can be dramatically reduced, however, through digitally projected cinema distributed on DVD or via satellite. But the dilemma of the independent film remains, as theaters are under pressure to show films with guaranteed high demand – and the films with the highest demand remain those that are highly publicized through extensive and costly marketing campaigns. Even when finance is not an issue,

there remains the scarcity of space available in theaters for the constantly expanding market of independent films.

Certainly, the rise of the home entertainment market has been a boon for film makers not benefiting from the dominant channels of theatrical distribution and has permitted substantial gains for independent films in the marketplace. However, in the major marketplaces of DVD and video, the products taking up the limited shelf space of mass market outlets are, as with theatrical release, largely limited to the products of the largest cultural producers – the hits and blockbusters of the major movie industry.

It is evident that, given current market conditions, independent film cannot break through into the mainstream in a traditional fashion. It is fortunate for independents that an alternative to the mainstream is emerging; a result of the development and ubiquity of digital technologies. Accompanying it is a new ability for independent filmmakers and distributors to reach new audiences in ways that were not possible in previous models. This overcomes a traditional focus on attempting to share the existing market dominated by the major production and distribution houses, and emphasizes opening an audience previously unavailable or unreachable.

Many (perhaps most) independent films gain an audience primarily through the buildup of buzz and word of mouth surrounding them; they follow the model of a slow burn, in distinct opposition to the model of saturation release where a film may be released worldwide on several thousand film screens for a week or two and then fade until the release on DVD and home video. Independent films traditionally have relied on winning acclaim at film festivals and the long-term development of an audience through limited release in order to attract the attention of major distributors.

New alternatives to more costly forms of mass promotion (advertising, commercial tie-ins, and similar) are coming into existence. For instance, social networking sites such as MySpace promise a new ability to build audiences from the bottom rather than the top. The Internet is increasingly becoming a space where potential viewers seek out new options in entertainment, including reviews, summaries, and other information on new films. Referral services at sites such as Amazon.com or Netflix can connect audiences with specific topics of interest to films on the margin that will cater to those interests. In connection with the traditional means of film festival publicity and word of mouth, these developments suggest promising new ways for independent films to build modest to large audiences and connect audiences with subject matter that may interest them but may also have gone previously unnoticed and unknown.

Even should these new sources of promotion manifest their promise, there still remains the difficulty of distribution. Major films are likely to be released on thousands of screens in domestic and foreign markets. Independent films, often restricted to limited release runs, have a less forgiving margin for success and failure. A kind of economy of scale exists; though it may well cost significantly more to distribute a film to many thousands of theaters, per-unit cost drops, and moreover, even a relatively modest audience response spread across a worldwide stage generally ensures a return that will pay for cost of production and distribution. Independent films, often featuring less audience draw in terms of star power, substantially reduced promotional budgets, and less accessible subject matter, are hardly guaranteed success.

The development of digital channels of distribution offers a different and perhaps interrelated model for the success of independent films that might otherwise experience difficulty with the existing system. First, digital distribution significantly reduces costs. No prints need to be produced, only a single lossless digital copy uploaded to a server. Digital channels also mitigate other difficulties of distribution. There is no need, initially, to enter into partnerships with existing supply chains or manufacturers, only online distributors, themselves significantly less encumbered by the restraints of brick-and-mortar distribution.

As costs associated with physical distribution and inventory storage decrease toward zero, even a product with a relatively low audience is distributed at a profit. Making the leap to the mechanism of digital storage, considerably less expensive than that of even minimal, centralized physical warehousing, the advantage is similarly manifest; the least popular titles can be stocked for a fraction of physical-world storage costs in digital form.

However, this model does not indicate the demise of traditional outlets of distribution and exhibition for cultural products – on the contrary, it indicates that different approaches to economy and distribution have the potential to expand purchases in total.

In the work "Consumer Surplus in the Digital Economy", Brynjolfsson, Smith & Hu estimate the "value of increased product variety at online booksellers." Brick-and-mortar bookstores and large publishers alike have benefited significantly from the increased diversity of titles. Online vendors offer an ability to browse amongst titles no longer popularly stocked, or to more easily discover obscure items, the procurement of which might otherwise prove unduly expensive. Online outlets allow customers to consider purchases of titles that were previously unavailable or unknown to them.

Individuals browsing online vendors become aware of the vast diversity available in the marketplace, and then return to the world of local distributors with an expanded sense of the possible. In counterpoint to previous models which capitalized exclusively off of hits and blockbusters, present developments in distribution technique make possible a marketplace that draws revenue from the total pool of cultural products, not merely those in print or high demand.

The diversity of digital technology offers increased investment on the part of the existing consumer base alongside new sources of revenue drawn as niche marketing and narrowcasting provide previously marginalized interests with exposure to products that were previously invisible, due to a lack of presence in the marketplace.

Increases in product variety serve to enhance the overall advantage of independent films, which may gross lower than the mainstream hits, but which may earn larger sums in aggregate. This is of advantage particularly to those distribution houses already in a position to distribute significant numbers of independent films at an affordable rate via ultra-low-cost digital storage and distribution. The more possible choices available to consumers, the more likely any given product (or selection of products) is to sell, and thereby turn a profit.

Even a comparatively small number of individuals purchasing these titles, in significant enough numbers, can become a tidal wave of revenue. In this fashion, one can perceive the veracity and power evident in Joe Kraus' phrase, "millions of markets of dozens."

Sean Landers is an On-line Marketing Associate at EZTakes, a movie download service. EZTakes sells a large catalog of independent films that consumers can purchase, download and burn to DVDs that will play in almost any standard DVD player. By making it easy for consumers to download DVD movies, EZTakes has bridged the gap between the Internet and the living room.