

Navigating the New Age: Exploring Operations and Modern Business Models in Film and Television Production

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Abstract. This article explores the dynamic film and television industry's operational system and diverse business models. The industry has adapted its strategies in response to globalization, technological advancements, and changing consumer behaviors. The operational system encompasses stages from development to exhibition, ensuring creative ideas translate into compelling content. Business models include the product-oriented, market-oriented, and Business Model 2.0. The digital revolution has ushered in the Long Tail, DIY, and 360-degree models, reshaping distribution and engagement. Applying field theory, the article examines the industry as a structured field where actors vie for different capitals. This multidimensional analysis deepens our understanding of how these models drive the industry's evolution. The article discusses how the relationship between creating content and making money has become more complex due to the growth of streaming platforms and online distribution. This has led to a need for new ways to make money from content, such as subscription services, ads, and pay-per-view. The industry is focused on finding ways to make consistent profits.

Keywords: Modern Business Models, Strategies, Film and Television Industry.

1. Introduction

1.1. Research Background

The landscape of the film and television industry is undergoing significant transformations in the face of globalization, technological advancements, and changing consumer behaviors. While numerous studies have examined individual film production processes and the specifics of filmmaking, there remains a considerable gap in the scholarly exploration of the diverse business models that drive film and television production companies. This article aims to bridge this gap by delving into the operational systems and business models that underpin the dynamic world of film and television.

A deeper understanding is required due to the intricacy of these economic models and how they interact with the film and television industries. This study seeks to fill this information gap by investigating production companies' various strategies to attract customers and keep them entertained. It is clear that these business models greatly impact both the dynamics of the industry as a whole and the operations of specific businesses. Technology and globalization advancements have given film and television production firms new options and problems in terms of content distribution [1]. Digital technology has made it possible to watch movies and TV shows on various platforms and devices, going beyond the confines of the traditional theater experience. As a result, production businesses need to change how they do business.

In addition, Business Model 2.0 incorporates models like the Long Tail, Free, and 360-degree models, representing a contemporary paradigm formed by changing consumer preferences. Huge expenditures are made in the film business's distinctive world to create appealing products and make huge profits [2]. However, unlike more conventional industries, success in the film industry is not guaranteed, and this is true regardless of financial support. Each production, from tiny independent works to big blockbuster franchises, has its own promise and challenges. Stakeholders in the business need to fully understand the economic models that drive film and television production companies to navigate this complex environment [3].

This article will strive to categorize and organize ten distinct business models commonly employed by production companies to provide a comprehensive grasp of the intricate nature of business models in the film and television industry. By means of extensive analysis, two overarching models will emerge as particularly significant: the studio model and the Business Model 2.0. The studio model embodies the conventional structure observed in major studios, encompassing vertical and horizontal integration and market-oriented approaches [4]. Conversely, Business Model 2.0 embodies a modern paradigm shaped by evolving consumer preferences. This model encompasses notions such as the Long Tail, Free, and 360-degree models, which cater to the evolving demands of audiences in the digital era.

As it navigates the difficulties of globalization, technological innovation, and changing consumer habits, the film and television business is at a crossroads in contemporary times. By carefully analyzing the many business models utilized by the film and television production industries, this essay aims to improve academic discourse. The research aims to illuminate the intricate interplay of these models, which will be useful for industry practitioners and academics to understand better the operational systems and commercial strategies that define the dynamic world of cinema and television.

1.2. Theoretical Framework

To thoroughly investigate the operational systems and commercial models within the cinema and television industry, the theoretical foundation of this study is based on a multidimensional approach that pulls from ideas in business management, media studies, and economics. The Business Model Canvas, which offers a structured framework for identifying, classifying, and assessing essential components of various business models in the sector, serves as the study's fundamental framework. This canvas is a fundamental tool for methodically investigating the value proposition, important resources, target markets, revenue streams, and distribution avenues particular to movie and television production enterprises.

The study also incorporates ideas of technical advancement and globalization to contextualize how company models have changed in response to evolving market dynamics. The several layers of the industry value chain are broken down using the ideas of vertical and horizontal integration, demonstrating how businesses manage the production, distribution, and exhibition processes.

In order to fully grasp the intricacies of audience choices and content consumption, the study also considers cultural and sociopolitical perspectives. The strategies of film and television production firms are influenced by how business models change to reflect shifting social narratives, aesthetic perceptions, and technological advancements. The research seeks to comprehensively understand the interplay between business strategies, industrial dynamics, and cultural influences by combining these theoretical strands.

2. Literature Review

Digitalization's impact on the film and television has generated much curiosity and academic inquiry. The switch from analog to digital technology has significantly impacted the industry's value chain, including manufacturing, distribution, and display. By substituting sensors, computers, and digital editing tools for conventional techniques, digital technology has altered the entire nature of filmmaking. This change has impacted the technological aspects of production but has also put traditional business models and industry norms to the test [5].

The COVID-19 epidemic has expedited the adoption of digital strategies by the sector. Streaming services became a lifeline for audiences by offering them on-demand entertainment in the face of lockdowns and limitations. Due to this crisis, major studios like Disney were compelled to deliver material directly to consumers through streaming platforms, which catalyzed reconsidering distribution structures. This change represents a departure from the conventional distribution strategy, including middlemen and venues.

Blending lines between production, distribution, and exhibition is a prominent effect of digitization. In addition to investing in content development, streaming behemoths like Netflix and Amazon Prime have become distributors and exhibitors by distributing content directly to customers. Players in the industry have been strategically reconfigured as a result of this transition. The traditional box office-centric strategy is being reexamined by studios, who are also looking into potential new revenue streams from digital platforms. This change from the “commitment” logic of box office success to the “convenience” logic of subscription-driven models serves as an example of the shifting environment [6].

The linear model of traditional television is under threat as the dynamics of content consumption change. Digital distribution made it simple to supply tailored content, which put the traditional content-advertising combination to the test. In contrast to the conventional broadcast paradigm, streaming services provide a wide variety of material with little advertising. The sustainability of the linear model and the significance of advertising revenue have been questioned due to this change in consumption habits.

These changes in the cinema and television industries have an impact on both scholarly inquiry and business procedures. The intricacy of digital dynamics is challenging established research paradigms predicated on analog-era patterns. The availability of granular viewing data enables a more data-driven approach to production and transforms how content makers assess story concepts, cast talent, and sell their movies [7]. These discoveries demonstrate how science may support the craft of filmmaking in the digital age.

3. Operation System and Business Models in the Film and Television Industry

The development of both its operating system and commercial models may be seen throughout the history of the cinema and television industry. From the beginning of silent movies to the digital era of streaming platforms, the entertainment business has consistently changed to meet the demands of a shifting consumer base [8]. This article will examine the operational framework for film and television production and the various business models that have influenced the sector’s landscape.

3.1. Operational System of Film and Television Production

The operational system of film and television production is a painstakingly planned procedure that includes several steps, each essential for creating and disseminating fascinating material. This technique ensures that directors’ creative visions are translated into consumers’ favorite visual stories. A general description of the operational system gives insight into the intricate process from script to screen, even though the specifics of each production may differ.

3.1.1 Development

The expedition commences with the inception phase, wherein notions are conceived, and manuscripts are meticulously crafted. Invigorating brainstorming sessions, meticulous storyboarding, and eloquent scriptwriting distinguish this pivotal stage. Accomplished writers and visionary creative teams harmoniously collaborate to fashion captivating narratives that lay the groundwork for the subsequent production proceedings [9].

3.1.2 Pre-production

During the initial stages of production, meticulous attention is given to solidifying plans and assembling a proficient production team. This crucial phase encompasses scouting exquisite locations, the seamless design of captivating sets, the creation of exquisite costumes, and carefully estimating budgets. Every aspect of logistics and scheduling is thoughtfully organized, with the utmost precision, to guarantee a flawlessly orchestrated production process.

3.1.3 Production

The essence of the art of filmmaking lies within the production phase, where exquisite scenes are meticulously captured, and the brilliance of performances is impeccably brought to life [10]. Esteemed directors, talented actors, skilled cinematographers, and a dedicated crew unite their expertise, skillfully transforming the written script into a mesmerizing visual spectacle. With unwavering dedication, the production team diligently strives to capture awe-inspiring shots, enchanting scenes, and captivating performances that flawlessly align with the visionary creative essence.

3.1.4 Post-production

Post-production takes place after filming is over. At this step, raw footage is edited, graphic effects are added, the sound design is improved, and music is added. The final narrative is greatly influenced by editing, ensuring smooth transitions, and enhancing storytelling components.

3.1.5 Distribution

Distribution plans are put into action after the content is finished. Consumers can watch movies and TV series through various distribution outlets. These consist of television broadcasts, film releases, and online streaming services. In order to properly reach the intended audience, distribution tactics are essential.

3.1.6 Exhibition

The operational system reaches its zenith when audiences interact with the content during the exhibition phase. This is when the creative output meets its target audience, whether they are watching in cinemas, on television, or via internet streaming services. Box office revenue, television ratings, and digital streaming indicators are frequently used to gauge the performance of the exhibition phase.

The operational system of film and television production ensures that creative ideas are transformed into tangible content that captivates and entertains audiences worldwide. Each stage requires careful planning, execution, and collaboration among various professionals to bring the creative vision to life [11]. As technology and audience preferences evolve, the operational system continually adapts to meet the demands of the ever-changing entertainment landscape.

3.2. Diverse Business Models in the Industry

A diverse range of business models characterizes the film and television industry, each tailored to meet the specific demands of distribution and consumption. These business models reflect the industry's adaptation to changing technologies and audience preferences:

3.2.1 Traditional Theatrical Release Model

This classic model involves film producers collaborating with distributors to showcase movies in theaters. Revenue is generated through ticket sales, and the success of a film at the box office determines its profitability. Marketing campaigns, international releases, and advanced screening technologies have modernized this model.

The provided text shows that the film and television industry employs various business models to navigate the complex production, distribution, and audience engagement landscape. Let the scholars delve deeper into some of these business models and their operational aspects within the film and television industry.

3.2.2 Product-Oriented Model

This model prioritizes the quality of the product, in this case, films or television shows. Decision-making revolves around creating the best possible content, expecting the market to appreciate the quality. Film producers employing this model aim for high production values, compelling storytelling, and top-tier talent. Success is often measured by critical acclaim and awards in film festivals. However, this model might not emphasize mass-market appeal or broad audience reach [12].

3.2.3 Market-Oriented Model

The market-oriented strategy, as opposed to the product-oriented approach, changes content to meet market demands. Audience trends and preferences influence decisions. This versatile model may accommodate various consumer demographics. For instance, content might be adapted for audiences who enjoy mainstream movies, art-house fans, or a particular educational niche. This strategy necessitates a thorough comprehension of the subtleties of the industry and frequently adheres to the “give the audience what they want” maxim [13].

3.2.4 Business Model 2.0 and New Value Chain

The Internet and digital technologies have revolutionized the film and television industry’s value chain. Online platforms have transformed how films are produced, distributed, and consumed. Digital distribution has shifted the focus from traditional theatrical releases to online platforms. Companies like Netflix have embraced this model, combining distribution and production to create a holistic entertainment experience.

3.2.5 360-Degree Model

This model emphasizes a multichannel approach to content creation and delivery. Companies like Netflix and Spotify exemplify this model, offering vast content across various platforms. This model enhances revenue streams by creating multiple touchpoints with consumers and monetizing content through subscriptions, advertising, and more.

3.2.6 DIY (Do It Yourself) Model

The DIY model is particularly appealing to independent filmmakers and emerging market players. It involves leveraging online platforms to distribute content, often with limited theatrical releases. Filmmakers retain creative control and ownership of their projects. Crowdfunding and social media are crucial in funding, marketing, and connecting with audiences.

3.2.7 Piracy and Digital Distribution

The rise of online piracy has prompted the industry to enhance digital distribution strategies. By offering convenient, accessible, and high-quality content, legitimate digital distribution platforms aim to curb piracy and attract audiences who seek a seamless viewing experience.

3.2.8 State Policy and Business Models

The state’s influence on the film and television industry is notable through its policy models. The liberal, condescending, and paternalistic models dictate the level of state control, funding mechanisms, and overall support for the industry. These policy models intersect with business models, impacting how companies operate and create content.

The film and television industry is multifaceted, with business models adapting to technological advancements, audience preferences, and state policies. Each model has its strengths and challenges, and companies often blend or evolve these models to thrive in the dynamic entertainment landscape.

3.2.9 Television Broadcasting Model

Television networks acquire content from production companies and studios for broadcasting. Advertising primarily generates revenue, as networks air content during designated time slots to attract viewers. Additionally, public service models, exemplified by entities like the BBC, combine public funding, advertising, and subscriptions to finance their operations.

3.2.10 Subscription Video On Demand (SVOD) Model

The SVOD paradigm was established with the emergence of streaming services like Netflix, Amazon Prime, and Disney+. Access to a sizable collection of movies and TV shows is available to subscribers for a recurring charge, allowing for on-demand viewing and individualized suggestions.

3.2.11 Hybrid Models

Major film studios often adopt hybrid models, acting as both content producers and distributors. These studios create content while also controlling distribution through theaters, television networks, and streaming platforms. This approach allows studios to capture revenue from multiple sources and maintain greater control over their intellectual property.

3.2.12 Long Tail and Aggregator Models

With their extensive libraries, streaming platforms embody the “Long Tail” concept, offering content that caters to niche interests. Aggregator models, exemplified by platforms like Netflix, provide an array of genres, from mainstream to specialized, appealing to a wide spectrum of viewers.

3.3. Field Theory and Film Industry

In the context of the film and television industry, field theory offers a new analytical lens. Rather than focusing solely on institutions, organizations, or markets, field theory examines the relational dynamics between these components. The film industry, comprising diverse stakeholders, functions as a structured field where actors strive to accumulate and monopolize various capitals, such as financial, cultural, and social.

Pierre Bourdieu’s conceptualization of field theory resonates strongly with the film and television industry study. His notion of fields as arenas of production, circulation, and appropriation aligns with the industry’s multifaceted nature. The competitive positions of actors within these fields determine their ability to access and control valuable resources [14].

3.4. Field Theory and Business Model

Applying field theory to the film industry’s business model unveils a more complex understanding. Fields within the industry may emerge around different types of capital, influencing production, distribution, and consumption. The unequal distribution of valued capital shapes the strategies and interactions of various players, impacting how business models evolve.

Field theory’s relational approach sheds light on the operation system of the film industry. It emphasizes that the effects of these structured fields on behavior are not always apparent to actors. Internet logic, a prominent aspect of modern film operations, plays a pivotal role in shaping these fields. Film and television companies alter their operational strategies by embracing online platforms to improve efficiency and reach.

Field theory challenges conventional views by emphasizing the relational nature of social life. Unlike consensual perspectives, field theory focuses on the competitive struggle and unequal distribution of resources. The industry can better understand the underlying dynamics that drive behavior, decision-making, and innovation by comparing traditional models to field theory.

Applying field theory to the film and television industry can illuminate how different types of capital (financial, cultural, social) interact within the field. For instance, the influence of cultural capital might impact casting decisions, while financial capital determines production budgets. This perspective comprehensively explains how various resources shape the industry’s operation system and business model.

4. Conclusion

The film and television industry’s operational system and business models have evolved in tandem with technological progress and shifting consumer behaviors. From traditional theatrical releases’ foundational principles to streaming platforms’ disruptive influence, each business model reflects a strategic response to industry dynamics. It’s really important to understand that there are some things we need to think about when we explore new ideas. Technology is changing so fast that it’s hard to know how long a new way of doing things will last. Also, if we only rely on numbers and data to make decisions, we might forget to come up with new and different ideas. So, to ensure the

entertainment industry stays successful and keeps its creativity, we must find a good balance between using data and being creative. To overcome these restrictions, people in the industry need to do a few different things. They should encourage trying new things and taking risks when making content, but also be careful about new technologies and how they might affect things. To be flexible and up-to-date, professionals in all facets of the industry must invest in ongoing education and training. Additionally, keeping lines of communication open between content producers, distributors, and audiences will make it easier to comprehend audiences' changing preferences and enable the creation of more specialized and captivating content. As technology continues to reshape how content is created, distributed, and consumed, the film and television industry will undoubtedly witness the emergence of new business models, further enriching the viewing experience for audiences worldwide.

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