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Film distribution strategies and release windows:
an empirical analysis of the relation between
platforms' expansion and movie theatre attendance

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ABSTRACT

In line with the digital evolution of the market, the Italian film industry has been facing for several years increased competition not only in terms of box office revenues but also on digital platforms. The initial phase of cinematic distribution significantly influences a movie's success, including its subsequent distribution on alternative channels, as it is the moment when the economic value of a film is established. However, this industry is characterized by the presence of several players and complex dynamics. Italian regulations provide for an exclusive exploitation window in movie theatres to protect them from competition from alternative distribution methods, and non-compliance with this window precludes access to public funding for production and distribution.

This study investigates the relationship between the presence of release windows and the purchase intention of movie consumers. It then analyses the different influence exerted by an effective digital marketing strategy and the presence of a recognizable cast on the audience. Through the distribution of a questionnaire, 451 responses were collected and subsequently statistically analysed through correlation analysis and descriptive statistics. The results confirmed that there is no positive significant and consistent relationship between the participants' purchase intention and the application of exclusive exploitation windows. Conversely, the research confirmed a positive response to films featuring well-known actors and the suitability of interviews for this purpose. Due to the lack of statistical significance, there is no clear evidence to confirm or deny the positive impact of digital marketing on the viewer's decision-making process, although movie trailers appear to be a crucial element.

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INTRODUCTION

In a context of perpetual digital evolution, the global market landscape is constantly subjected to changes in both the daily habits of consumers and the structure of various industries. This also applies to the film market, with dynamics that sometime go unnoticed.

The objective of this study is to observe recent changes in the film industry and its ability to adapt, respond and react to the new context. For a long time, the sector had presented alternatives to movie theatres, such as DVDs and Blu-Rays, for home viewing of films. However, recent years have been characterized by the entry of new players into the market, representing higher-quality alternatives and almost threatening to movie theatres. Streaming and on-demand services are indeed the new protagonists of the cinematic landscape, offering such a wide range of choices that they can satisfy every preference at any time and place and at a low cost. In order to manage this growing competition among alternative distribution channels and preserve cinemas, a system known as “release windows” is implemented, ensuring movie theatres a period of exclusivity during which the production cannot be distributed through other channels.

This research aims to verify whether consumers actually take into consideration the period of exclusivity when deciding whether to go to the cinema. Undoubtedly, at least some consumers have reduced their frequency of visits to the cinema because they are aware of the option to enjoy the movie through a valid alternative later. However, the underlying idea of this thesis is that other factors, such as digital marketing and the recognisability of the cast, prevail in determining the success of a film, both at the box office and afterwards.

In Italy, the duration of exclusivity windows has been a subject of debate and continuous changes over time. One of the effects of the pandemic has been the rekindling of this debate at national and international levels, particularly regarding the potential and controversial link between their duration and box office success. In the past, Italian regulations have undergone changes in this area, with various alterations in the duration and application methods of the windows, positioning Italy somewhere between the strict French model and the more flexible British one. Following the cancellation of the reduction envisaged by the Franceschini decree, which shortened the exclusivity period from 105 to 90 days, it would be natural to wonder whether the duration of the waiting period, especially when it is only a 15-day difference as in this case, can actually have an impact on box office success.

Despite the limited availability of literature on this topic, it is important to mention some research that has contributed to the study. Smits (2017) highlighted how simultaneous distribution strategies could become the most common form of adaptation to the online audience. Calzeda and Valzetti (2012) argue that one of the key factors influencing the optimal distribution strategy is the level of substitutability level between different versions; thus, simultaneity is advantageous when the substitutability level is low, hence the risk of cannibalization is less likely. The approach to distribution also depends on the structure of the film studios. So, those vertically integrated between producer and distributor will maximize profits by releasing the product simultaneously through different channels, as a wider range of consumers with diverse preferences allows for joint profits. Currently, in Italy, distributors do not have much flexibility regarding post-cinematic distribution timing, as state funding is subject to compliance with release windows.

One research effort that contributes to a deeper understanding of this field is the inquiry commissioned in 2022 by the Ministry of Culture to SWG, aimed at measuring the effectiveness of extending the waiting period between cinematic and non-cinematic distribution. The study revealed that an exclusivity window of 3-4 months would only influence about 13% of the respondents.

Through the distribution of a questionnaire, the study aimed to investigate how much the choices of movie consumers are actually influenced by release windows and their duration, and how much are instead influenced by digital marketing and the recognisability of the cast.

The first part of the paper is dedicated to explaining the main dynamics in the film industry. Starting with a historical and geographical overview, the distribution sector, the parties involved and the different strategies in the market are examined, along with the current regulations in Italy. The second part constitutes the focal point of the study. After presenting and justifying the hypotheses on which the research is based, the methodology used to attempt to find the answers is explained. The results are analysed in the third part of the paper, first by showing the quantitative data and then by interpreting them and processing what they imply. Finally, in the discussion of the results, various perspectives and suggestions for future research are outlined, starting from the limitations of this study.

BACKGROUND: THE FILM INDUSTRY

1. GEOGRAPHY OF THE FILM INDUSTRY

1.1 The evolution of film studios and the global film market

At the very end of the 19th century, in a period of expanding capitalism and as a result of technical innovations, the first major production companies were founded in France and the United States, quickly followed by the other countries. Hollywood's superiority began in the years of World War I, following an initial period in which European productions had dominated in economic terms over those of the United States. While the war strongly affected Europe and dramatically reduced its film production, studios were born in the US resulting in the establishment of their oligopoly through a process of verticalization¹. Moving forward to the post-World War II period, Europe found itself the target of American producers' aggressive export agenda, not adequately addressed by the weak protectionist European policies.

As mentioned above, a process of vertical integration led to the emergence of the oligopoly of the so called 'Big Five' studios: Paramount Pictures, Warner Bros., 20th Century Fox, MGM and RKO Pictures. In fact, these major film studios controlled the films' production, distribution and exhibition². The USA film industry suffered a first significant setback when the Big Five and Little Three (Universal Pictures, Columbia Pictures and United Artists) were sued with the so called "Paramount Case" (also known as "*Hollywood Antitrust Case of 1948*") for violating the US antitrust law. The Paramount Decrees, which forced the separation of production and exhibition, resulted in the increase in the number of independent producers and movie theatres, allowing them to compete with the Big Five (Fox, 1992).

However, under Reagan's presidency, in the early 1980s a process of vertical re-integration occurred due to the loosening of regulation. The decrees began to lose effectiveness when Loew's Corporation (former parent of MGM), managed to vertically integrate, as long as the company did not display its own films. Similarly, in 1986 Warner Communications was allowed to own theatres, provided that they were handled separately from distribution. Within

¹ The Cambridge Dictionary defines the vertical integration as "*the degree to which a company carries out the different stages in an industrial or commercial process, rather than depending on outside suppliers and customers*".

² Production, distribution and exhibition can be described as the three main phases of the film industry value chain, in accordance with Porter's definition of 'value system'.

one year, Tri-Star and Loew's ultimately received legal relief from *Paramount* and were fully exonerated from their decrees. (Holt, 2001)

Ownership consolidation, production intensification and revenue growth marked this "New Hollywood" era. However, by 1986 home video had taken over as the main revenue source for the industry, providing distributors nearly \$2 billion, surpassing the theatrical revenues (\$1.6 billion) for the first time. Cable, pay-per-view and home video began to represent a new and undermining competition for theatrical revenues. Audience numbers were constant and exhibition was expanding, although not as much as production. Consequently, theatres started to reduce exhibition periods in order to allow the display of newer releases. At the same time, the international market started blowing up, with US movies covering 45-65% of total theatrical sales in some European countries. Therefore, albeit domestic theatrical performance still drove all the other ancillary markets, it accounted for only about 30-34% of a movie's profit, while the rest was split between home video, foreign theatrical rentals and television sales. (Holt, 2001)

After nearly 40 years of divestitures, a rush of mergers and consolidation occurred, resuming the vertically integrated corporate structure that had been demolished in 1948 with the *Paramount* case (Fox, 1992). The studios and their parent companies bought new exhibition venues and the major companies owned approximately the same percentage of national theatres as the "Big Five" had before the decrees. By the end of Reagan's presidency in 1989, Warner Bros. gained complete relief from the decree and the former Hollywood studios were absorbed into six vertically integrated multinational conglomerates. This pursuit of vertical synergies continued even after the advent of alternative film exhibition channels and additional film-related revenue streams. Indeed, it was Hollywood's majors that invested the most into large-scale marketing and distribution and kept integrating production, distribution and exhibition (Lorenzen, 2007). As the home-video market experienced a rapid growth, the majors established specialised divisions for film distribution in VHS and DVD formats (Scott, 2004), thereby turning into multi-media corporations, while studios in Europe and Asia have been comparatively reluctant to this diversification process (Lorenzen, 2007). Even moving forward to more recent years, the emergence of streaming services has been embraced by the Big Five studios, that now own some of the most successful VOD (video on-demand) services: Disney+ (The Walt Disney Company), Paramount+ (Paramount Global), HBO Max (Warner Bros. Entertainment), Peacock (NBCUniversal), Crunchyroll (Sony Pictures).

Looking at the global film market, Crane (2013) has divided into four categories the 34 countries that produced more than 25 films in 2009. The four countries that produced over 400 movies in the reference year – India, USA, China and Japan – are categorised as *Super producers*. The average market share in their national markets was 74.3%, but it is important to highlight some key differences within these countries. While India is the biggest producer and the second largest in terms of national market share held by domestic films – preceded only by Iran – its productions do not really benefit from the foreign market. On the other hand, the USA is the second largest producer, it has the third highest national market share, and its films profit considerably from the foreign market. In fact, India and Iran were the only two countries in which the top 10 films did not include American movies.

The second group, the *Major producers*, is composed by seven countries – of which five European, including Italy – that produced between 101 and 400 films. Their average national share was 26.6%, and generally they occupy a minority on the top 10 films of their own country. Regarding the international market, the exported productions frequently include co-productions with the USA

The *Medium producers* are the 11 countries that produced between 51 and 100 movies in the reference year with an average national market share of 25.7%, while the remaining 12 countries are identified as *Minor producers*. The latter produced between 26 and 50 films with a highly diversified national market share (5% in Australia and 80% in Egypt).

Crane's overview reveals how American productions typically prevail worldwide, even though the global market is significantly diversified.

1.2 A geographically concentrated global network

There is ample evidence that the film industry is continuously developing into a global network, however there are contrasting opinions on whether film clusters – the nodes forming this network - are losing significance in comparison to its linkages (Lorenzen, 2007). Indeed, as a result of globalisation in the industry, the number of cross-border co-productions has climbed, and global corporations have emerged. Hollywood corporations internationalised their

productions, integrated horizontally³ and diversified their media, becoming globally owned and globally operating (Lorenzen, 2007). In a large number of countries, global corporations provide international products to the local market through the presence of distribution and marketing subsidiaries. Another type of linkages in this global network is represented by the globally dispersed social relations and the increased talent mobility between film clusters.

The last aspect has been studied by Schoales (2021) in terms of “two-sided networks”. In the attempt of understanding what factors are responsible for the geographic concentration of creative industries, his examination focuses on the synergistic relationship between creators, producers and distributors, generating both same side and opposite side network effects. The USA film industry is actually a very local business with a highly global reach, since it is geographically concentrated in Los Angeles, while it spans worldwide in terms of consumers and resources. Indeed, Hollywood takes advantage of resources from all over the world to create blockbusters, i.e. successful movies that usually require high budget and that can generate high levels of revenue in a short period of time. Hollywood can be considered as an environment of cooperative connections that result in perpetual stream of new productions, allowing the interface between international creative talent and international producers and distributors. Creators benefit from significant career opportunities and, on the other hand, producers and distributors benefit from the great availability of talent that guarantees a consistent supply of products. The fact that the ‘Big Five’ major film studios – Walt Disney Pictures, Warner Bros. Pictures, Universal Pictures, Paramount Pictures and Columbia Pictures⁴ – keep operating mainly in Los Angeles, regardless changes in ownership structures, evidences that the geographic concentration represents a competitive advantage (Schoales, 2022). In 2022, the Big Five had a direct role in the production and/or distribution of 18 out of the top 20 highest worldwide grossing films in 2022 (Table 1).

³ The Cambridge Dictionary defines horizontal integration as “*a situation in which a company buys another company that has the same activities*”.

⁴ Columbia Pictures is the main studio of Sony Pictures Entertainment, while The Walt Disney Studios own Walt Disney Pictures as their main studio and acquired 20th Century Studios (previously 20th Century Fox) as their secondary studio in 2019, Marvel Studios in 2009 and Pixar in 2006.

Table 1 – Top 20 worldwide grossing films in 2022⁵

RANK	TITLE	WORLDWIDE BOX OFFICE (\$US)	PRODUCER	DISTRIBUTOR
1	Avatar: The Way of Water	\$2,314,931,233	Lightstorm Entertainment, 20 th Century Studios	Walt Disney Studios Motion Pictures
2	Top Gun: Maverick	\$1,493,491,858	Paramount Pictures, Skydance Media	Paramount Pictures
3	Jurassic World: Dominion	\$1,001,978,080	Amblin Entertainment, Universal Pictures	Universal Pictures
4	Doctor Strange in the Multiverse of Madness	\$955,775,804	Marvel Studios	Walt Disney Studios Motion Pictures
5	Minions: The Rise of Gru	\$939,628,210	Universal Pictures, Illumination Entertainment	Universal Pictures
6	Black Panther: Wakanda Forever	\$859,103,923	Marvel Studios	Walt Disney Studios Motion Pictures
7	The Batman	\$770,945,583	Warner Bros., DC Entertainment	Warner Bros.
8	Thor: Love and Thunder	\$760,928,081	Marvel Studios	Walt Disney Studios Motion Pictures
9	Water Gate Bridge	\$626,571,697	Bona Film Group, August 1 st Film Studio	Bona Film Group, Trinity CineAsia
10	Puss in Boots: The Last Wish	\$479,849,356	DreamWorks Animation	Universal Pictures
11	Moon Man	\$460,237,662	Alibaba Pictures, Beijing Mahua Funage Company	Tiger Pictures Entertainment
12	Fantastic Beasts: The Secrets of Dumbledore	\$407,150,844	Warner Bros., Heyday Films	Warner Bros.
13	Sonic the Hedgehog 2	\$405,421,518	Paramount Pictures, Sega Sammy Group	Paramount Pictures
14	Uncharted	\$401,748,820	Columbia Pictures, PlayStation Productions	Columbia Pictures, Sony Pictures Releasing
15	Black Adam	\$393,252,111	Warner Bros., DC Entertainment	Warner Bros.
16	Elvis	\$287,740,048	Warner Bros., Bazmark Films	Warner Bros.
17	The Bad Guys	\$250,162,278	DreamWorks Animation, Universal Pictures	Universal Pictures
18	Bullet Train	\$239,268,602	87North, Sony Pictures Entertainment	Columbia Pictures
19	Lightyear	\$226,425,420	Pixar, Walt Disney Pictures	Walt Disney Studios Motion Pictures
20	Smile	\$217,408,513	Paramount Players, Temple Hill Entertainment	Paramount Pictures

Source: Box Office Mojo by IMDb.

⁵ The table may show only the main companies if several producers/distributors were involved.

Hence, a successful platform in a two-sided market has the primary function of implementing opposite side network effects by effectively enabling interactions between different groups. Once a platform has confirmed its dominant position, it can be challenging for a new one to compete, since it requires a significant number of members from both groups to thrive.

Hollywood's dominance has been examined from various points of view. First of all, it is clear that since successful films have high development costs, they require a sizeable minimum market in order to be profitable. As a consequence, the countries with a significant domestic audience are the ones specialised in film production, even though the purchasing power of the consumer base is relevant as well. As a matter of fact, Hollywood rose to prominence as the world's top producer in the first half of the 20th century, a period in which the North American population was experiencing a general increase in wealth. (Lorenzen, 2007). Alongside market size and costs, the degree of demand uncertainty and the significance of scale economies rise as well. In order to face such uncertainty, the casting of popular and expensive stars and a high quality production are examples, but not guarantees, of factors that lead to production scale economies by capturing mass audiences. More importantly, since large-scale advertising is the most effective competition element, there are considerable scale economies in the marketing of films, due to its decreasing marginal costs. (Lorenzen, 2007).

Because of the economies of scale provided by the large American market, its cultural products can be exported for prices that are lower than the production costs for smaller countries. In fact, the average cost of films is distinctive to the USA, and usually about one-third of the budget is spent on marketing (Crane, 2013). The North American average budget is approximately four times the Western European one (six times if we consider all Europe). For comparison, in 2008 the average cost in the UK was \$13.3 million and in France \$5.1 million, while in the USA it was less than \$40 million for independent movies and almost \$100 million for the major studios. (Crane 2013). The focus on the star system and more complex special effects used by the majors in the attempt to produce successful blockbusters inevitably implies high production costs. In this compound, Schoales (2021) highlights the contrast between production/distribution and creators. While the former generate economies of scale by spreading expenditures across several products, creators rely on creativity and uniqueness for success, hence they usually reuse barely anything from earlier projects (Schoales, 2021).

Another topic of research regarding determining factors of Hollywood success pertains to the cultural identity depicted in the film industry. This kind of oligopoly of the major USA studios causes several objections and concerns relative to the risk of global culture homogenisation, as a jeopardy to the singularity of national cultures (Crane, 2013). On the other hand, most developed countries have seen gains in sociocultural diversity and creativity as a result of the immigration increase. Nowadays cultural identity has become a self-transforming process, looking at the future more than the past (Schoales, 2022). Imported films typically face the disadvantages related to consumer stylistic and linguistic preferences (Lorenzen, 2007). This preferences are revealed by the fact that, beside Hollywood productions, domestic movies are nearly almost preferred above international ones. Indeed, even though the USA is a very lucrative market, the importance of foreign markets for American films has increased over time. As a matter of fact, despite the continuously expanding global film industry, the imports of North American films are growing in several countries. One interpretation given to this phenomenon is that north american creators developed a stylistic language that easily overcomes international borders by substantially removing cultural complexity. According to Crane (2013), the strategy of focusing on international earnings has led Hollywood to change its contents over time, producing ‘transnational’ films. Some studies define the contemporary american films as “less cultural specific” (Lee, 2008) and as the product of a “culture of appropriation” that absorbs elements from several national and international sources (Crane, 2013). In addition, american films have the advantage of being produced in English, the main international language, making them more accessible to the global audiences. Also for this reason, the British film industry takes advantage from stylistic and language preferences worldwide set by Hollywood (Lorenzen, 2007), beside being dependent on USA companies for financing, distribution, exhibition and co-productions (Crane, 2013). According to a theory, Hollywood purposefully creates narrative structures susceptible to “plural meanings to suit different viewers” (Pang, 2005), allowing the audience to experience and interpret American movies in unique ways. The so-called ‘transnational films’, which have been above discussed, result more suitable to engage the international extremely diverse audiences.

However, a rise in the preference for local products has been recently observed. This tendency can be explained through the concept of “glocalisation”, a strategy that implies the global distribution of a locally adapted product or service. A clear example is the strategy used by Netflix, focusing on the creation of original content incorporating local customs and popular culture and its international distribution. Referring to the sphere of TV shows, the phenomenon

is evident due to the success of series such as *Squid Game* – which is now the most viewed Netflix show – *La Casa de Papel* and *Lupin*. The Netflix distribution strategy, through dubbing and subtitles, allowed the series – originally spoken in Korean, Spanish and French – to benefit from a global reach, despite the local production. The process of cultural diffusion enables the audiences to acknowledge and nurture an interest in the original country, by showing some of its cultural peculiarity. (Wang, Weng, 2022). The newly developed interest in the Korean culture is actually the optimal example: the worldwide increased enthusiasm is evident for K-pop music, K-dramas and Korean movies – just think of the success reached by *Parasite*, which became the first non English-language film to win the Academy Award for Best Picture in 2020.

1.3 Government support to the film industry

It is noteworthy that many governments invest significant resources to retain a presence in the film industry, as this shows that cinema is regarded from a high symbolic and cultural perspective. Since film productions and consumption play a significant role in expressing cultural identity and consciousness, policies in support of the industry can be interpreted as a sort of resistance to the homogenising impacts of globalisation.

National governments use two different categories of policies to promote the domestic film industries: ones to limit the entry of foreign competitors – like tariffs and quotas – and ones that give preferential treatment to the domestic production, through tax credits and subsidies (Gao, 2009). A distinctive element of the American policy is the attempt to remove quotas in other countries in order to guarantee the possibility to export their productions. In 2005, the UNESCO recognised the right to enact policies that promote and safeguard cultural expression. However, the USA declined to ratify the Convention, in contrast to European countries. In response, the USA implemented more frequent one-to-one Foreign Trade Agreements, with the aim of surpassing film quotas and foster American exports. The domestic film markets of some of the countries that initiated FTAs with the USA, such as Canada and Australia, experienced a significant decline, demonstrated by the domestic market share. FTAs are object of disputes from those who perceive them as undermining other countries' cultural independence as well as their citizens' right to engage in local productions and employment in the related fields. (Crane, 2013)

In order to support Hollywood, the US government provides load to small companies and tax-credits to large ones. On the other hand, beside the use of quotas in several countries, government fundings and subsidies play a relevant role for the European film industry. The European Audio-visual Observatory (2014) classified the three main fiscal incentive structures: i) tax shelters, used to encourage investments from individuals or firms allowed to deduct investments against tax liabilities; ii) rebates, designed on the basis of production expenditure – rather than investment levels – by reimbursing a portion of eligible budget through state’s fundings; iii) tax credits, driven by production costs, similarly to rebates, but instead of being paid from a fund the incentive lowers the producer’s tax liabilities.

Countries with fiscal incentives have greater film sectors: in these countries, the production expenditure accounts for 0.06% of GDP on average, opposed to 0.01% in those with no incentive schemes. Data analysis suggests that productions often tend to flow between European countries, rather than outside. The benefits that the implementation of incentives has on the capacity to attract co-production partners has also been observed. Indeed, in contrast to the risks of a selective direct financing scheme, the incentives’ guaranteed component of finance enables a substantially simpler set up for a co-production. This way, smaller countries currently became more valid co-production partners (European Audiovisual Observatory,2014).

In Italy, the government plays a decisive role in financing the film industry. In 2017, the “audiovisual and film investments development fund” (“*Fondo per lo sviluppo degli investimenti nel cinema e nell’audiovisivo*”) (law 220/2016) was established, superseding the previous financing system operated under the “show business unified found” (“*Fondo Unico per lo Spettacolo*”) – now replaced by the “live show national found” (“*Fondo Nazionale per lo Spettacolo dal Vivo*”). The fund finances different types of intervention: tax credits, automatic incentives, selective contributions and contributions for film and audiovisual promotion activities and initiatives. In the post-pandemic period, the fund’s resources were increased and the maximum rates of tax credits, intended for operators in the sector, were raised, allowing tax debts to be offset against the credit accrued following an investment in the sector. Two funding sections were also provided for in relation to two separate extraordinary plans: the first for the strengthening of the cinema circuit, the second oriented towards the digitalisation of the film and audiovisual heritage.

The Franceschini Decree (Legislative Decree No. 204, 7 December 2017), which entered into force in 2018, was interpreted by many as a form of protectionism by recognising the strategic role of the film industry as a cultural vehicle for international promotion of the country. Indeed, the decree increased the minimum quotas dedicated to European and Italian productions for both linear audiovisual media services (television broadcasters) and digital broadcasters (such as Netflix and Amazon Prime Video), as well as investment levels.

Looking at the Italian export values, the number of productions with foreign trade, referring to all the distribution channels, has doubled between 2017 and 2021 and about half of them were the result of international co-productions. Within this increase, the data collected by ANICA in 2022 actually show a reduction of the percentage of co-productions, in favour of a rise in the percentage of films produced for and/or distributed on global VOD services (ANICA, 2022).

In most countries, like France and the UK, policies contribute to sustain the industry, its efficiency and competitiveness. Taking the case of the UK as an example, it has been estimated that without the film tax relief the film production level would be 75% lower (Oxford Economics, 2010). However, for the most part policies are not enough to improve countries' ability to face the American film industry's competition. (Crane, 2013)

Despite the sharp increase in productions that are moving from Hollywood to less expensive regions, implying an outflow of capital and labour that could enhance the growth of competitor film industries, this phenomenon has not represented a significant threat to Hollywood's lead role in creativity and commercial activity. Due to the popularity and attractiveness of US's entertainment productions worldwide, Hollywood continues to be unrivalled in this field and will probably keep the lead as motion pictures exporter for the time being. (Scott, 2004)

2. FILM DISTRIBUTION

2.1 The cinema value chain: players, roles and the Italian scenario

Applying Porter's *value system*, it is possible to divide the cinema value chain in three main phases: production, distribution and exhibition. In the case of the film industry, the value chain can follow the North American Majors' model, in which the studios are involved in the entirety of the process, or it can be split between several collaborating players specialised each in one

of the stages. On the one hand, as has already been addressed, the major studios became multimedia corporations and benefit from synergies deriving from vertical integration, which implied an increasing industry concentration. On the other hand, European companies are at disadvantage in this respect, since production companies usually do not have direct and exclusive control over the distribution and exhibition of their movies.

In Italy, two main types of decision-making organizational models have emerged (AGCM, 2022). Firstly, the model where the decision-making centre is solely located within the distributor allows the company complete autonomy for each film. It is typically adopted by independent distributors, although it often results in a significant reduction of their decision-making power due to the mediation of the distribution approach with the actual market conditions and policies of major circuits. Secondly, there is a decision-making model that mainly applies to Italian films and is characterized by agreements between the producer and the distributor regarding the distribution strategy. In this case, decisions concerning release dates, the number of copies, marketing strategies and other economic exploitations of the works are generally agreed upon. Digital platforms have played a significant role in shaping the allocation policies of audiovisual content, typically defined contractually with individual distributors, primarily with major studios.

According to the AGCM (2018), film distribution generally consists of three stages:

1. producers enter the distribution by selling licenses to National Distributors;
2. Regional agents and programmers operate as intermediaries between National Distributors and exhibitors;
3. theatres owners programme and screen films.

There are three different segments of National Distributors: a) Italian branches of the USA Majors; b) non-independent distributors, with vertical links with the broadcasters, such as 01 Distribution (Rai Cinema), MedusaFilm (Mediaset) and Vision Distribution (Sky); c) independent distributors, such as Lucky Red Distribuzione and Notorious Pictures.

The market shares vary greatly from year to year as the trend depends on the success of individual films. Although the number of national distribution operators is quite high, looking at the CR4⁶ index, it shows a fairly high level of concentration among the top 4 distribution companies (Table 2). Despite the variability of the shares, accentuated by the pandemic period

⁶ The CR4 index is a concentration ratio measured by the sum of market shares of the four largest companies. It ranges between 0 (perfect competition) and 100 (monopoly).

which has increased the market shares of distributors integrated with broadcasters, the US Majors generally remain the main players in the market (AGCM, 2022).

Table 2 – National Distributors market shares (2019-2021)

National Distributor	% Box Office 2021	% Box Office 2020	% Box Office 2019
Warner Bros. Italia	35.51	21.88	21.65
Walt Disney S.m.p. Italia	19.36	5.72	26.76
Universal	14.06	2.72	5.12
01 Distribution	8.15	17.33	9.55
Eagle Pictures	5.72	1.44	5.92
Vision Distribution	4.37	4.76	5.03
Lucky Red Distribution	3.40	3.54	4.86
Medusa Film	2.36	30.96	5.08
Bim Distribution	1.61	0.94	0.80
Nexo Digital	1.29	1.73	1.18
Notorious Pictures	0.49	1.26	2.67
Academy Two Distribution	0.47	2.49	0.53
I Wonder Pictures	0.44	0.44	0.53
20 th Century Fox Italia S.p.A	-	1.59	5.30
CR4	77.08	75.89	63.88

Source: AGCM (2022), from Cinetel data

The table clearly shows the trend of the sector in the three years referred to. It evidences the presence of numerous subjects in the industry, in contrast to a high concentration on the part of the major distributors. As already mentioned, in 2020, due to the pandemic emergency, a change was noted with respect to the usual trend. In particular, Medusa Film occupied the leading position with a share six times higher than the previous year (30.96%, against Warner Bros. Italia's 21.88% and Walt Disney S.m.p. Italia's 5.72%). 01 Distribution, which was among the top 4 companies in all three years, also saw its share almost double in 2020 compared to 2019. In 2021 the values returned to a settlement similar to the pre-pandemic one, with three Italian branches of US majors in the lead – Warner Bros. Italia growing and leading, Walt Disney S.m.p. Italia increased compared to 2020 but not to the pre-pandemic level, and Universal rose sharply in relation to the previous years, in which it was not even among the top 4 – followed by 01 Distribution with an inferior share even compared to 2019, while Medusa Film suffered a drop in share such as to shift from leader (2020) to being excluded from the top 4, with a share halved compared to 2019.

2.2 Alternative distribution channels: definitions

Considering the affirmation of the new business model that focuses on the offering of on-demand streaming, before proceeding, it is appropriate to examine in detail the various distribution methods and alternative channels to movie theatres. Indeed, the traditional channel involves screening films in movie theatres, through both large theatre chains and independent cinemas. However, the landscape of film distribution is continually evolving. Home video has been the first alternative distribution channel to challenge the predominance of movie theatres, by introducing the comfort of enjoying films at home through the purchase or rental of films in physical formats, such as DVD or Blu-ray discs. With the advent of new technologies, home video has lost its position in favour of television broadcasting and streaming services. In addition to the free-to-air television broadcasting, pay TV allows periodic access only upon the conclusion of a subscription contract that entails the payment of a fee. On the other hand, pay-per-view refers to any TV broadcast of a single audiovisual product scheduled by the provider at predetermined times and accessible based on a temporary authorization valid only for the individual viewing of the specific product, against the payment of a single fee. A separate discussion concerns VOD (Video on Demand) services and OTT (Over the Top) companies. Video on Demand refers to distribution of a single audiovisual product accessible upon individual request from a chosen location and time, in exchange for individual payment, without being influenced by the purchase or offering of other programs, products, or services. In general, VOD refers to any type of content that can be reproduced without time constraints and provided through any medium. The following distinctions can be made:

- T-VOD (Transactional VOD): it involves a one-time payment for accessing a single product. It also includes the EST VOD (Electronic Sale Through VOD), which involves the download of a single content for a fee and the buyer can use the content at will following the transaction (e.g. Sky Primafila).
- S-VOD (Subscription VOD): the content is available periodically upon the conclusion of a subscription contract that entails payment for the viewing of multiple programs, accessible on an individual request basis from the chosen location and time (e.g. Netflix).
- A-VOD (Advertisement VOD): it offers free access, relying on advertising as a source of revenue (e.g. YouTube).

- B-VOD (Broadcaster VOD): these can be considered the broadcaster's A-VOD (e.g. RaiPlay).

Another key concept is implied by the term Over The Top (OTT), which refers to the companies that offer services and content directly over the Internet, bypassing traditional systems and positioning themselves above them. The entire offer of audio and video products that can be consumed without limitations and at any time on demand has revolutionized the audiovisual market, profoundly changing the dynamics of the distribution, as well as the production.

2.3 Contractual relationship between producer and distributor

Distribution concerns film exploitation both in theatres and in post-screening windows. The later programming windows and especially the exploitation via platforms allow the recovery of high investments incurred for the production and distribution, as the costs to face are almost none. This results in economies of scope that may indirectly constitute a barrier to market entry.

In addition to films of their own production, national distributors acquire licences to distribute films produced by third parties throughout the domestic territory by means of distribution contracts in relation to their characteristics. Producer and distributor sign a distribution contract for the assignment of exclusive rights, which typically include:

- Theatrical and non-theatrical rights⁷
- Broadcasting rights (Free Tv, Pay-Tv and Pay per View)
- VOD rights
- Home Video rights (DVDs, Blu-ray)
- Editing rights
- Synchronization rights

Other details of the contract may vary from case to case, e.g. some rights may be retained by the producer and not licensed to the distributor, and there may be a pre-launch right on remakes,

⁷ The term "theatrical rights" refers to the exploitation of a film for the purpose of its direct screening in traditional movie theatres, based on a license intended for such projection in publicly accessible venues, with an admission fee for viewing the film. On the other hand, "non-theatrical rights" refer to the exploitation of the film for its direct screening in the presence of an audience at venues operated by institutions or organizations whose primary purpose is not the exhibition of films.

sequels or prequels. The duration of the distribution contract depends on the negotiation, and it usually includes the possibility of extension (Dandi, 2022).

Another relevant element of the contract is the so-called *holdback* clause, which consists of the distributor's prohibition to use the film for a certain period for definite exploitation channels. With regard to this, the EU regulatory framework has adopted the principle that the organisation of release windows for cinematographic works should be the subject of free negotiation between the parties involved; at national level, the regulation of some countries (including France and Germany) has been oriented towards a regulatory indication of the fixed duration of the theatrical window. This aspect will be explored in more detail in the next section.

The licensor will be entitled to receive a fee from the distributor for the assignment of the rights. This remuneration may be paid in the form of a *guaranteed minimum* or an advance. The guaranteed minimum is a sum of money that the distributor pays to the producer. It is non-refundable but is entirely recoverable by the distributor according to the costs it has incurred from the distribution. The producer will be entitled to a percentage of the distributor's profit from the film after the latter has recovered the guaranteed minimum.

From the producer's point of view, it is advisable to prohibit cross-collateralisation, so that the distributor is obliged to distribute only one film at a time.

The major national distributors sign Output Agreements, often multi-year agreements, with broadcasters for the exploitation of the film in subsequent scheduling windows. The Output Agreements establish the licensing fee for a given film generally using as a parameter the so-called *media copia*, i.e. the ratio between box office in theatres and overall copies distributed on the territory. National distributors therefore determine the number of copies to be distributed in order to maximise this ratio.

Many Italian films pre-sell exploitation rights to platforms as a form of film financing. For example, Netflix can purchase the right to show a certain film after its theatrical release for a period of time that is decided on a case-by-case basis. This purchase takes place during the film's production phase, effectively participating in the film's budget. In these cases, the film will be available exclusively on the platform that has paid for exclusivity rights. Larger American films usually belong to a major studio that either has its own streaming platform or has agreements with Italian operators. For instance, MAX, Warner's platform, is not available

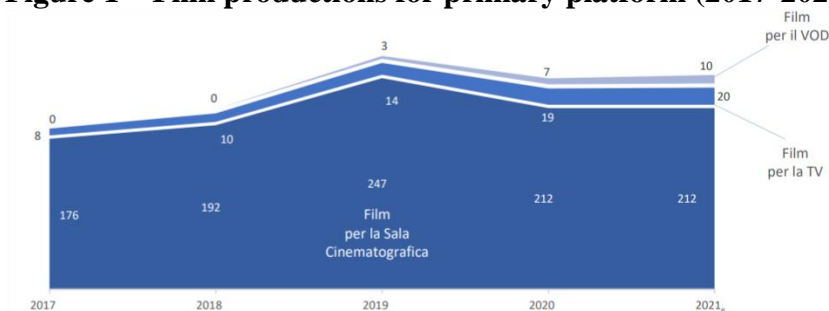
in Italy but it has an agreement with Sky. On the other hand, Sony doesn't have its own platform but has an agreement with Netflix. (Il Post, 2023)

3. DISTRIBUTION STRATEGIES AND RELEASE WINDOWS

3.1 Distribution strategies: definitions and evolution

The data reported by ANICA (2022) show that although the vast majority of Italian films are still primarily produced for cinema theatres, the number of films produced for TV and VOD has increased in recent years (Figure 1). It is important to note that due to technological advancements and the resulting production and distribution strategies, the distinction based on the primary destination platform is becoming increasingly blurred. In this regard, there is a growing number of titles being produced independently of such a definition.

Figure 1 – Film productions for primary platform (2017-2021)



Source: ANICA (2022), data processed by eMedia from DGCA-MiC, Cinetel, PRCA, statements from industry professionals.

The standard release strategy responds to the principle according to which the initial step for the producer should be to present the film on the channel that brings in the highest revenue within the shortest amount of time (Calzada and Valletti, 2012). Consequently, the movie is usually first released in theatres, then made available on pay-TV, followed by home video distribution, VOD, and finally television broadcasting. This release procedure adheres to a framework known as “*release windows*”, originally conceived in order to prevent cannibalization and the competition between different versions of a movie. Indeed, research on versioning has indicated that introducing new versions of a movie enlarges the market but also leads to a reduction in demand for existing versions, as part of the consumers choose the new alternative, thereby cannibalizing the sales of previous channels (Calzada and Valletti, 2012).

The release windows system is hence expected to allow the capitalization on various markets by staggered releases at different times.

On the other hand, a simultaneous release occurs when a movie is made available on multiple channels (such as cinema, home video and VOD) either simultaneously or with minimal time gaps (Smits, 2017). This approach, also known as the “*day-and-date*” strategy, offers significant advantages to both consumers, who can choose the means they prefer, and the studios, who can reduce marketing costs by running a single campaign for the different channels. When discussing studios in this context, it is appropriate to make a distinction. Indeed, this release strategy can be particularly beneficial when the studio is vertically integrated with distribution and exhibition channels. Theatre exhibitors prefer longer windows before the video version is released in order to prevent consumers from waiting for the video release and to avoid the consequent cannibalization. On the other hand, producers and video distributors may prefer a quicker video release, as it allows them to generate revenues from the alternative channels earlier and amplify the benefits of publicity. In other words, in cases of vertical separation, the exhibitor tends to maximise profits by delaying the release sequence to minimize cannibalization. However, the producer aims to maximize the combined profits from both channels, and their preferred timing for the video release depends on their bargaining power (Calzada and Valletti, 2012). A key example of an Italian production made available with this strategy is represented by “*Sulla mia pelle*”, directed by Cremonini and produced and distributed by Netflix and Lucky Red, which was released both on theatres and on the platform on the same day (12 September 2018).

As mentioned above, the film distribution has evolved with time and an increasing number of productions is being made available directly on alternative channels, without a theatrical release. In this regard, a direct-to-video distribution refers to the practice of releasing films directly to the home video market. It has gained popularity over the years and due to advancements in technology and changing in consumer habits it can also now include the direct-to-streaming practice. This strategy has the benefit of allowing to easily reach specific target and international audiences. If we examine the example of Netflix, their efforts to produce and distribute directly and exclusively on the platform challenge the established distinctions between film and television, by completely bypassing the traditional theatrical release window (Herbert et al., 2019). Of course, these are just the most common release strategies, but with the market constantly changing, distribution methods are continuously evolving as well. For instance, the so-called “ultra-VOD” model entails the exclusive release

of films on VOD platforms for a restricted period, followed by a theatrical release and the availability on other consumer markets (Smits, 2017).

3.2 Release windows system and Italian regulation

According to the AGCM (2016), producers identify an imbalance in the rights management system of works, where negotiation dynamics tend to prevail over creative activity. Both producers and broadcasters consider the regulatory system concerning OTT operators inadequate. The latter, in fact, enjoy a competitive advantage as they are not subject to the Audiovisual Media Service Directive⁸ and benefit from a different tax regime.

Italian regulations demonstrate a conservative tendency in the traditional distribution, aimed at ensuring the survival of theatres and incentives to return to previous box office values. The debate on the topic of release windows and their correlation with box office success is still ongoing. The distribution window system is based on community discipline, which is then implemented in various ways by individual member states. Three models can be identified within the European Union (AGCM, 2022):

1. A regulated system established by law, where the first release window is strictly regulated, while the subsequent windows are subjected to commercial agreements (e.g., France and Bulgaria);
2. A system that conditions the access to public funding on compliance with release windows, thus regulating only films eligible for public financing (eg., Germany, Austria and Italy);
3. A system without specific legal constraints, regulated through agreements between parties, which is present in the majority of EU member states and the United Kingdom.

Italian regulations regarding the exclusive exploitation window in movie theatres aim to protect them from competition, and non-compliance with the exclusive window does not result in direct sanctions but may prevent access to public funding. Over time, Italian regulations have undergone several changes, and it is possible to identify four key stages.

The Law 220/2016 (“Cinema and Audiovisual Regulation”) provides a definition of the term “film” - or “cinematographic work” - as an audiovisual work primarily intended for public

⁸ European directive encompassing obligations regarding programming and investment in European works.

viewing in movie theatres. Consequently, productions that do not follow the standard release procedure are not considered actual films in the eyes of the government and are thus not eligible for state fundings. While the law does provide funding for only Italian productions that fall within the definition of “film”, it did not introduce regulations regarding distribution windows and their duration. Therefore, we can say that Italy actually fell into the third model described above, without specific regulatory constraints.

The situation changed and Italy began to be a part of the second group when Decree No. 531/2018 (also known as the 'Bonisoli Decree') came into effect, which limited the access to public funds to only those works that are primarily released in theatres and are not distributed simultaneously or in close proximity through other channels. Admission to the benefits provided by Law No. 220/2016 is specifically subject to compliance with the following requirements:

- A minimum of 60 screenings within a period of 90 days;
- A window of 105 days between the theatrical release and any other form of distribution, reduced to 10 days in the case of special event films and 60 days for screenings on less than 80 screens for 21 days with fewer than 50,000 viewers.

Therefore, these rules were designed not to restrict the possibilities of exploitation and viewing of Italian films, but to ease the lives of films and to provide viewers with the opportunity to legally enjoy them, without distorting their essence, and indeed, enhancing their inclination towards the cinema theatre.

With the advent of the Covid-19 pandemic, the scenario has inevitably changed, significantly impacting the film industry and imposing changes and consequences that still persist to this day. Considering the inability of meeting the requirements due to the closure of theatres, the decree of 29/10/2020 has waived the obligation of public screening in cinemas for admission to the benefits. Therefore, it has decreed that the requirements would be satisfied by the public distribution of the work through a provider of audiovisual media services, both linear on a national level and non-linear, or through home entertainment publishers.

During his tenure as Minister (2019- 2022), Franceschini had to react to the arrival of the pandemic and efficiently restart cinemas, but he did it with a tendency to change the film window system compared to the previous one. In fact, with the so-called “windows decree” of 30/04/2021, the obligation of priority to cinemas was reinstated, but without returning to the pre-Covid arrangement. In order to prevent Italian cinema from being penalized compared to

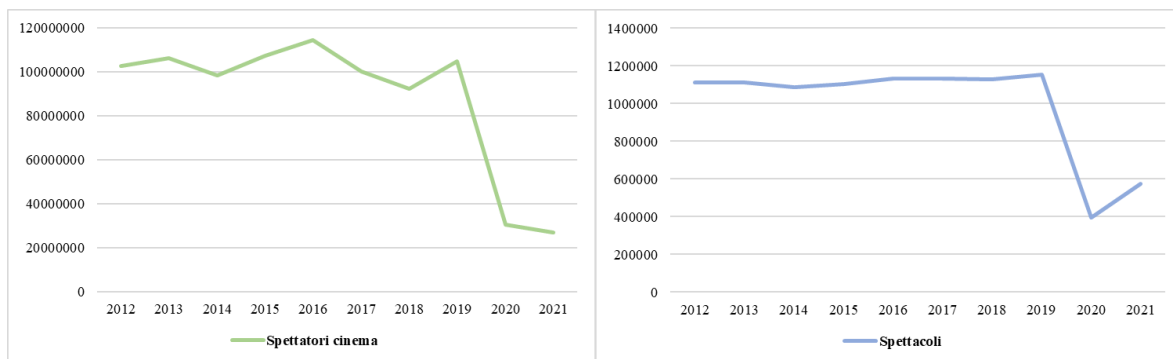
the international one, the duration of the window was reduced from 105 days to only 30. Almost a year later, on 29/03/2022 a new window decree was signed, which increased the window between cinema and other forms of distribution, but still with a duration of 90 days. However, at the beginning of April 2023, the Administrative Court (TAR) of the Lazio Region has revoked the decree issued by the Minister of Culture, accepting a petition filed on the grounds that Franceschini should have reinstated the mandatory programming windows to 105 days instead of 90, as this decision would be penalizing an industry that has already been severely impacted by the pandemic.

3.3 The post-pandemic scenario

Following the reopening of cinemas in 2021, a period began that represented a first area of observation from two perspectives. Firstly, the potential presence of competitive challenges related to the distribution of films through alternative channels, and at the same time, the level of actual competitiveness of traditional distribution circuits (AGCM, 2022). Compared to the previous year, and especially when compared to 2019, 2021 was undoubtedly marked by a decrease in box office revenues and attendance. The data also shows that the significant loss of viewers is accompanied by a strong penalty in theatres for domestically produced films.

The following graphs (Figure 2) depict the trends related to the number of moviegoers and film screenings from 2012 to 2021. It is evident that they unsurprisingly follow two different trends, as the former exhibits greater variability compared to the latter, which remains relatively constant. Both graphs show a significant drop in 2020, but while public funding has incentivized production and the supply side and led to a recovery in the number of screenings, legal restrictions due to the pandemic continue to impact the steadily decreasing number of viewers. It is important to consider that the data for 2021 reflects the gradual reopening of theatres starting from the end of the fourth month of the year, still subject to certain restrictions.

Figure 2 – Trends of moviegoers and number of screenings (2012-2021)



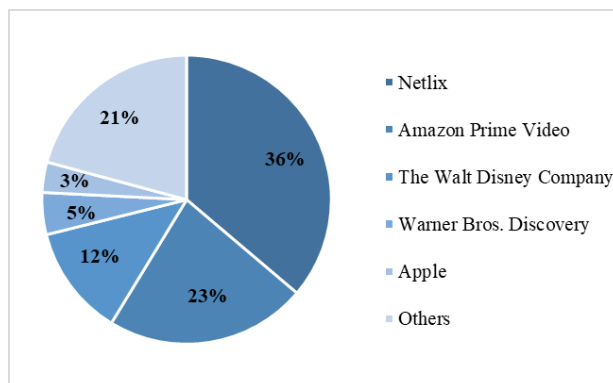
Source: data processing of SIAE data (2022).

The distribution companies have generally demonstrated the ability to react to the closure of cinemas through the migration towards non-traditional distribution models. Companies have indeed shown a tendency to quickly orient themselves towards OTT services in order to meet the audience's needs and simultaneously consolidate their revenue levels. According to some industry operators, the expansion into alternative distribution channels has proven to be an effective catalyst for expanding both domestic and international film production activities, thereby increasing the demand for original content⁹. Hence, in this context there has been a shift towards the consumption of film content that no longer prioritizes the cinema as the primary venue. For example, some films adopted an approach opposite to traditional distribution windows, since they were released first on VOD platforms and then in theatres. Other films maintained a traditional release strategy but were distributed on other platforms within a restricted timeframe. A notable example is the case of *“E’ stata la mano di Dio”*, directed by Sorrentino, produced by The Apartment and distributed by Netflix and Lucky Red. The film, also selected to represent Italy at the 2022 Oscars in the Best International Feature Film category, had its theatrical release on November 24, 2021, and was made available on Netflix less than a month later, on December 15. Streaming platforms, due to the restrictions associated with the state of emergency, presumably contributed to the poorer performance of cinemas as they experienced an increase in content consumption. According to the AGCM (2022), in 2020, the number of subscribers to SVOD (Subscription Video on Demand) services in Europe increased from 122.4 million in 2019 to 179 million by the end of the year. The streaming giants such as Netflix, Amazon, Apple, and Disney+ accounted for 72% of the total subscribers (71% in Italy). The European data for the

⁹ In particular, this is the stance of Eagle Pictures S.p.A. in response to the information request for the analysis conducted by AGCM (2022).

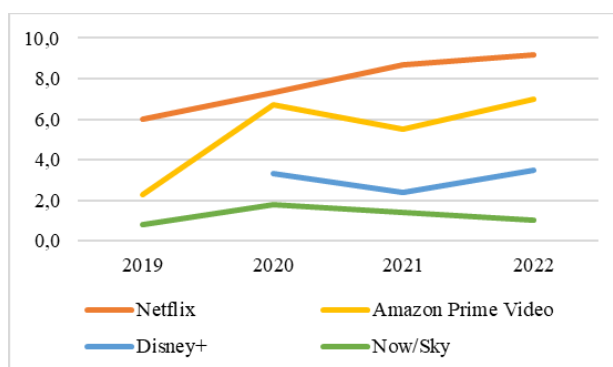
year 2021 (Figure 3) shows Netflix (>68 million subscriptions) and Amazon Prime Video (>42 million) as the leading companies in the SVOD sector, followed by The Walt Disney Company (>23 million). Warner Bros. Discovery also has a significant presence in Europe with nearly 9 million subscriptions. However, as mentioned earlier, its platform HBO Max is not available in Italy, and its products are generally distributed through Sky. In Italy, the fourth VOD operator in terms of monthly users (Figure 4) is in fact NOW, owned by Sky. The top three players in Italy align with the European trend, with Netflix, Amazon Prime Video and Disney+ leading the market. These platforms experienced an increase in the number of subscribers in 2022 compared to previous years¹⁰.

Figure 3 – Leading companies by number SVOD Subscriptions in Europe (2021)



Source: data processing from European Audiovisual Observatory data (2023).

Figure 4 – Italian monthly subscribers (mln) on leading streaming platforms (2019-2022)



Source: data processing from AGCOM data (2022).

¹⁰ The data shown in Figure 4 refer to the average of the first quarter for the years under consideration.

The abundance of offer in the online content market has led to an increase in competition among players, however primarily characterized by an oversupply of TV series at the expense of cinematic content. The market evolution following the relaxation of pandemic-related restrictions has demonstrated two aspects: first, a consolidated preference among viewers for the consumption of cinematic content in theatres, and additionally only a partial and historically determined substitutability between the two distribution channels (AGCM, 2022). Regarding the degree of substitutability between versions, Calzada and Valletti (2012) actually state that it plays a crucial role in determining the success and profitability of strategies like day-and-date releases. If the different versions are highly interchangeable, it can lead to cannibalization, thereby negatively impacting overall success.

In 2022, the Ministry of Culture commissioned an inquiry to SWG to investigate the effectiveness of extending the latency period between the theatrical release of a film and its availability on streaming platforms. The survey revealed that if a film were to be released on streaming platforms after 3-4 months, 47% of viewers would be willing to wait for the streaming release, while 32% would choose to see it immediately in theatres. However, it should be noted that the majority of the latter group would still opt for the theatrical experience even if the film were released simultaneously in theatres and on streaming platforms. Therefore, an exclusive theatrical window of 3-4 months would effectively influence approximately 13% of film consumers. This investigation contradicts the assumption that the consumption of films in theatres and through OTT are inversely correlated behaviours. Interestingly, among regular and intensive users of OTT platforms for film viewing, the proportion of regular cinema-goers is significantly higher than the average. On the other hand, the vast majority of those who do not use streaming platforms also do not go to the cinema. It is noteworthy that, on the opposite, individuals who watch a significant number of films on traditional free-to-air television tend to avoid movie theatres.

As much as the windows system can incentivize theatre attendance, it is important to consider the changing dynamics and preferences of the audience. The rise of online distribution platforms and the convenience they offer have created a significant shift in viewing habits. Online distribution could gradually strengthen its business model by creating an increasing substitutability with traditional distribution, even by focusing on internationally acclaimed high-quality content – as seen in the isolated first attempt with “*E’ stata la mano di Dio*”. It is necessary for distributors to make additional efforts to ensure effective and optimal allocation of their product, operating in a more competitive perspective.

UNDERSTANDING THE DETERMINANTS OF CINEMA TICKET PURCHASE INTENTION

1. HYPOTHESES ASSESSMENT

1.1 Overview: an evolving demand landscape

With the rapid pace of digital advancements, streaming and on-demand services are becoming increasingly relevant. Despite this, nowadays the film industry still relies heavily on theatrical releases as the main source of visibility and revenue, and the exposure achieved on alternative channels is highly dependent on the performance of the film box office. While the theatrical market thrives on the notion of limited content availability, the online market is characterized by an abundance of content. As a result, the focus is shifting from supply to demand, with audiences getting familiar with an on-demand culture through vast online libraries offered by VOD services. Consequently, it is expected that release strategies will be more tailored to online audiences. This trend has led to the prominence of the day-and-date release strategy, and some industry experts even predict that this will become the prevailing approach for films of all sizes in the long run (Smits, 2017).

As mentioned by Babutsidze and Valente (2018), according to some technology experts, the increasing availability of a wide range of options at lower prices, along with the removal of geographical limitations due to the digital nature, will enable consumers to choose products that align closely with their preferences. This suggests that there will be a rise in niche products and a decline in blockbusters. However, other authors argue that advancements in production and distribution practices resulting from technology will actually enhance the advantage of the popular and mainstream products, leading to the creation of even larger blockbusters. The results of their study strongly support the notion that as the number of social connections increases, the distribution of market shares becomes more polarized, with a concentration at both ends of the options ranked by market size (Babutsidze and Valente, 2018). In other words, a higher density of social networks results in a rise in both the number and size of blockbusters, as well as a longer tail of niche offer.

Whereas the traditional distribution model primarily grappled with the hurdle of ensuring content accessibility, online distribution encounters the issue of an overwhelming abundance of choices. Film catalogues continue to expand, placing the responsibility on producers and

distributors to make their productions stand out among the multitude of options available to audiences. Studios that produce next-generation films in particular – specifically intended for and distributed to online audiences – do not depend on theatrical success. Instead, they operate on business models driven by micropayments, subscriptions or advertising (Araujo, 2018).

In light of the evolving competitive and demand landscape, producers and distributors could gain advantages by comprehending the target’s purchase journey from a digital perspective. While there are available tools to create effective promotional campaigns, there is the need to bridge the know-how gap in order to determine which ones to utilize and how.

According to an economic study by Eliashberg et al. (2000), the process of a moviegoer’s decision-making journey can be characterized by different stages. Initially, the consumer is categorized as “undecided” and evaluates factors such as the movie’s theme, advertising and promotional strategies, as well as word-of-mouth. Upon positive exposure to information, the consumer progresses to the “considerer” state. The author of the study suggests that there might be a delay between the decision and the action, and this delay may be due to the availability at a convenient theatre, which is referred to as “distribution-related delay”. After watching the movie, the consumer may choose to share their experience through word-of-mouth, which can influence the decisions of potential consumers.

For a long time, marketers believed that consumers began with a wide range of options and gradually winnowed their choices until they made a final purchase decision. Afterwards, their relationship with the brand usually revolved around its usage (Figure 5). However, more recent research indicates that consumers actually tend to add and remove options during a prolonged evaluation period. Furthermore, after purchase, they often engage in an ongoing relationship with the brand, usually sharing their experiences online (Figure 6).

Figure 5 – The Funnel Metaphor



Figure 6 – The Consumer Decision Journey



Source: Harvard Business Review, Dec. 2010.

The emergence of social media platforms has transformed the way people choose, buy and recommend products, shifting the focus of the purchase journey on consumer loyalty instead of brand preference (Gupta and Singh, 2010). Gupta and Singh (2010) emphasize that the Internet allows marketers to differentiate between occasional and loyal customers by using tools that measure repeated purchases. This development builds upon the previous purchase models, advancing into one that considers the potential of making consumers a sort of brand ambassadors.

What has been addressed concerning the decision-making process of consumers also applies to films, starting from the decision to watch a film up to choosing between cinema and streaming or on-demand. The objective of this study is to analyse which factors, and to what extent, influence the purchase intentions of a cinema-goer. Firstly, the actual awareness of release windows and significance attributed to them will be tested. Subsequently, the digital marketing strategy and the star system will be examined to understand how they enable productions to attain visibility that influences the consumer's choice.

1.2 Release windows and consumers' recognition

We know that the strategic decision to release multiple versions of a product – both in theatres and streaming – simultaneously (“day and date”) or sequentially (through release windows) can depend on various factors, including the parties involved in negotiations between producers, distributors and exhibitors. Particularly, vertical separation creates more cannibalization issues, as the producer maximizes joint profits from different channels while exhibitors prefer sequential releases. This raises the issue of substitutability between the theatrical and non-theatrical versions. According to Calzeda and Valletti (2012), if the degree of substitutability is high, the optimal approach is to use release windows for a sequential strategy. Conversely, simultaneous distribution is preferable for vertically integrated studios, as they maximize profits through different channels and can satisfy diverse consumer preferences through price discrimination among versions of varying quality.

The authors identify the perceived convergence in quality offered by cinema and streaming or on-demand services as one of the main causes of the narrowing of release windows observed in recent years.

In Italy, as explained, there is less flexibility to strategically decide on these terms, as companies are bound by nationally imposed release windows to obtain financing. The debate is still ongoing about whether the Italian industry will lean towards the French model, with strictly codified timeframes regulated by law, or the British model, which has no fixed rules, allowing for different agreements for individual films. The attempt by Franceschini to reduce exclusivity period to 90 days instead of 105 was recently halted by the Administrative Court of Lazio, in April 2023.

The aim of this study is to test if there is actually a relation between the presence of the release windows and their duration and consumer's intention to watch movies in theatres.

H1. *There is not a significant and consistent relation between release windows duration and purchase intention for movie theatre tickets.*

Moorthy and Png (1992) suggest that introducing products sequentially is more advantageous than introducing them simultaneously in situations where cannibalization is a concern and consumers are relatively more impatient than the supply side.

Hence, following their arguments, we believe that impatience holds greater significance in the consumer's consideration compared to the duration of the exclusivity window.

Using the data reported by Cinetel for the year 2022 (Table 3), we observe a variety of release strategies for individual films, leading to two fundamental considerations. Firstly, for the majority of productions, not only were the nationally indicated exclusivity windows adhered to, but they were also exceeded. This suggests the strategic advantage of prolonging the period of cinema exposure before offering the "low cost" option for consumers to view the film through alternative channels. On the other hand, the Walt Disney-produced films in the top 20 – with the exception of *Avatar: The Way of Water* – are those that present shorter duration windows, reaching 48 and 49 days, respectively for *Death on the Nile* and *Black Panther: Wakanda Forever*, before being distributed on the studio-owned platform. The fact that the only exception, which has a longer duration window, is *Avatar: The Way of Water* also suggests a strategic decision focused on the impatience of consumers, considering it is the sequel to a blockbuster released 13 years earlier.

Table 3 – Top 20 theatrical attendance in Italy and first VOD releases (2022)

RANK	TITLE	THEATRICAL RELEASE (ITA)	ATTENDANCE	VOD DISTRIBUTOR	VOD RELEASE
1	Avatar: The Way of Water	14/12/2022	3,142,764	Disney+	07/06/2023
2	Minions: The Rise of Gru	18/08/2022	2,187,227	NOW	06/01/2023
3	Doctor Strange in the Multiverse of Madness	04/05/2022	1,854,490	Disney+	22/06/2022
4	Top Gun: Maverick	25/05/2022	1,783,621	Paramount+	22/12/2022
5	Thor: Love and Thunder	06/07/2022	1,478,680	Disney+	08/09/2022
6	The Batman	03/03/2022	1,398,671	NOW	14/11/2022
7	Fantastic Beasts	13/04/2022	1,164,262	NOW	26/12/2022
8	Black Panther: Wakanda Forever	09/11/2022	1,140,020	Disney+	01/01/2023
9	Jurassic World: Dominion	02/06/2022	1,119,500	NOW	01/01/2023
10	Uncharted	17/02/2022	898,407	Netflix NOW	26/08/2022
11	La stranezza	27/10/2022	840,480	Prime Video	09/02/2023
12	Spider-Man: No Way Home	15/12/2021	808,067	Netflix	15/07/2022
13	Death on the Nile	10/02/2022	803,821	Disney+	30/03/2022
14	Black Adam	20/10/2022	710,402	NOW	03/07/2023
15	Sonic the Hedgehog 2	07/04/2022	658,817	NOW	24/10/2022
16	Puss in Boots: The Last Wish	07/12/2022	608,805	-	-
17	Il Grande Giorno	22/12/2022	606,764	Prime Video	22/05/2023
18	Me contro Te – Il film: Persi nel tempo	01/01/2022	531,022	NOW	15/10/2022
19	Elvis	22/06/2022	484,182	NOW	13/03/2023
20	Il colibrì	14/10/2022	452,280	NOW	24/04/2023

Source: elaboration from Cinetel data (2022)

The hypothesis of this study is based on the idea that when consumers decide to watch a film at the cinema, they do not consider as a discriminating factor the waiting period before being able to watch it through alternative channels, even though it could represent a strategic tool for companies to maximize their profits. In fact, taking Walt Disney films as an example, it can be assumed that consumers are highly aware of the subsequent release on VOD, given the close

connection between the studio and the Disney+ platform. However, this consideration does not hinder the success of the films at the box office.

The variety in the duration of blockbuster theatrical exclusivity windows suggests that the desire to experience the cinema-going for highly anticipated films outweighs the thought of waiting for alternative releases.

1.3 Digital marketing strategy and Star system

Film producers and distributors should consider the Internet's ability to reach the desired target audience. Even productions that do not aim to become blockbusters can engage smaller but receptive groups of viewers, ensuring profitable distribution (Araujo, 2018).

Social networks have become increasingly important for interaction and communication. Thus, understanding the evolving purchase journey is crucial for companies to make online spaces relevant for connecting with potential consumers, using appropriate language for different media and grasping how various digital strategies work for different marketing objectives (Araujo, 2018).

While YouTube ads appear to be the most popular paid digital marketing tool for promoting productions in this industry (Araujo, 2018), surpassing Google Ads and Facebook Ads, Twitter deserves special mention. The latter is indeed mainly used for sharing comments and opinions, creating more word-of-mouth compared to other social media platforms like Instagram, which focus more on visual content. As a result, Twitter attracts potential consumers through both direct promotion by producers/distributors and sharing by other consumers (Perez, 2020). Given this new market scenario, engaging users across various platforms is essential.

Consumers generally attribute significant importance to previous experiences as they are considered more direct and reliable sources. Nevertheless, regarding markets of experience-goods, previous experience with potential consumption is unavailable by definition (Babutsidze and Valente, 2019). For the purposes of this study, we believe that knowing at least part of the cast can be interpreted as a sort of guarantee, as the viewer can rely on the previous performances of an actor to assess at least partially the quality of an unseen film. Based on the study conducted by Ciciretti et al. (2014), affiliation with well-known and recognized directors and cast is positively correlated and associated with higher box office earnings.

In the beginning of the 20th century, Hollywood was characterized by the origin of the so called “Star System”, through the efforts of producers to exert seductive power over the audience by creating figures known as ‘stars’. Through extensive advertising campaign, Hollywood cinema’s stars were crafted, promoted and celebrated. While such a system indeed led to the success of many individuals and productions, it also triggered numerous criticisms from those who argued that the excessive celebration of individuals was contributing to the artistic decay of successful films. This was because the focus on the name and image of the star was causing the audience to overlook the actual quality of the product.

Over time, the star system has naturally evolved along with the world. While initially the star system involved the construction of almost fictional a crystallized personalities around the actors’ image, today there seems to be a prevailing effort to capture the interest of the public with content that appears authentic and spontaneous, showcasing the personalities of artists even in their everyday lives. At the same time, nowadays, it could be said that the number of individuals considered ‘movie stars’ has significantly increased, particularly in Hollywood, also thanks to the expanded exposure allowed by social media. However, in Italy there is a noticeable absence of actors who can establish fan loyalty, especially among the younger generations. The internet has greatly enhanced the exposure of these figures to the public, providing visibility not only to prepared content shared by entities like producers and distributors for promotional purposes but also to everyday content. As a result, there is a side effect of more private information being disclosed, likely to damage the image of these figures, but at the same time enhancing the intensity of word-of-mouth that effectively acts as advertising.

Taking a step back, in order to ensure that the audience connects with the cast, it is necessary that the actors are introduced and promoted especially in the initial phase through advertising campaigns that may include photoshoots, interviews, press conferences and so on. In the Unites States this aspect is emphasized to a much greater extent, utilizing various formats as interview modes that not only focus on the cinematic project being promoted but also delve into the individual actor’s personality. In fact, allowing the audience to become acquainted with the actor’s personality beyond their role ensures the creation of a fan-base that will likely follow them in future projects as well.

H2. *Consumers' purchase intentions are more influenced by the digital marketing strategy and the recognisability of the cast than by the exclusive theatre release window.*

H2a. *Consumers' purchase intentions are highest when a consumer has been exposed to a lot of social media content, lower when a consumer has seen only a trailer, and lowest when a consumer has seen only a YouTube ad.*

H2b. *Consumers' purchase intentions are highest if a consumer is a fan of the main actor or at least knows part of the cast, lower when a consumer has seen an interview with cast members, and lowest when a consumer does not know the cast.*

The hypotheses discussed so far refer to the success of a film at the box office, as this is the subject under study. However, it is important to highlight that generally success in the movie theatre also tends to influence and determine subsequent success in alternative distribution channels. As a result, digital marketing and familiarity with the cast can also be interpreted as factors that enable productions to maintain visibility within the vast array of offerings across distribution channels other than the cinema.

2. METHODS

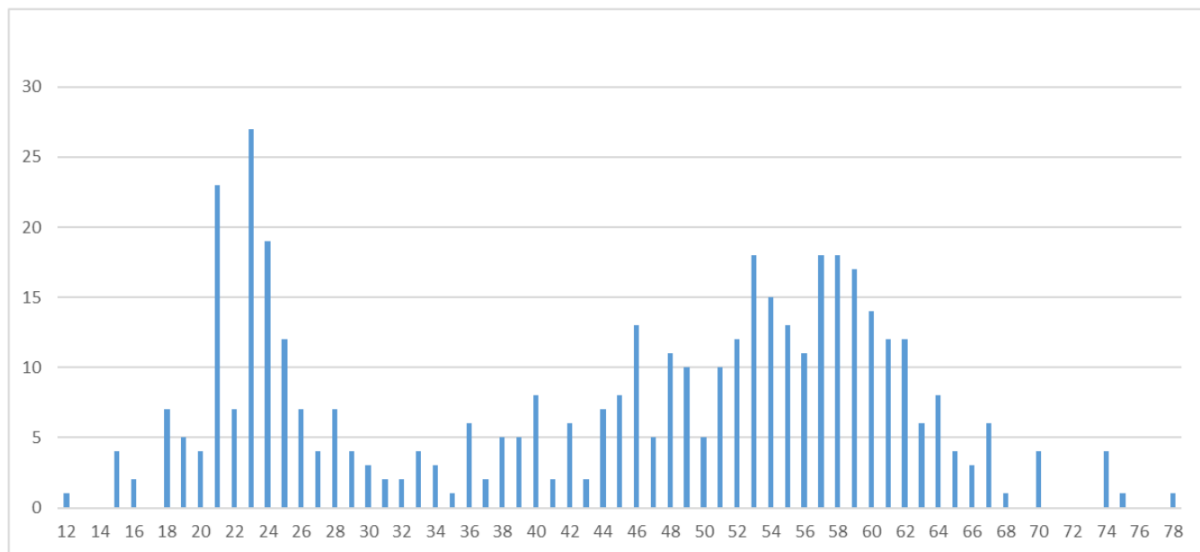
2.1 Data collection and demographic distribution

For this research, a questionnaire was published in order to measure the impact that different distribution strategies have on consumers' actual intention to purchase a movie theatre ticket. First and foremost, we present the demographic distribution of the sample, and then delve into the dependent and independent variables that were utilized for the study's purposes, along with their respective outcomes.

As this is a market that generally lacks a specific target, in order to attain a broader understanding of the entire industry demand, the questionnaire was administered without gender, age, or other types of restrictions. Simultaneously, it is of interest to identify behavioural and preference differences among various target groups, primarily determined by different generations.

To identify the sample of this study, three questions regarding age, gender and the highest level of education attained by the respondent were used. Out of a total of 451 respondents, we observe a distribution among various generations¹¹, with a lower number of responses corresponding to the millennial one (Figure 7). Regarding gender, there is a prevalence of female respondents, while in terms of educational background, the majority have attained some level of university degree. The table below summarizes the results of this initial part of the survey (Table 4).

Figure 7 – Respondents’ age distribution



¹¹ For the classification of generations, the definition provided by ISTAT (2016) was followed:

- Baby Boomers: 1946 – 1965
- Generation X: 1966 – 1980
- Generation Y (Millennials): 1981 – 1995
- Generation Z (Network Generation): 1996 – 2015

Table 4 – Summary of respondents’ demographic data

Demographic characteristics		Number of respondents	%
AGE (generation)	Baby boom	111	24,61
	Gen X	158	35,03
	Gen Y	60	13,30
	Gen Z	122	27,05
GENDER	Male	186	41,24
	Female	262	58,09
	Non-binary / third gender	1	0,22
	Prefer not to say	2	0,44
LEVEL OF EDUCATION	Middle school diploma	16	3,55
	High school diploma	139	30,82
	Bachelor's degree	55	12,20
	Master's degree	146	32,37
	Postgraduate Degree	72	15,96
	PhD	23	5,10

2.2 Variables, survey structure and statistical tools

Following the first part of the survey dedicated to the demographic identification of the sample, the second set of questions focuses on gathering information that helps understand the cinema consumption and streaming habits of the respondents in terms of frequency and service preferences. The results will be analysed subsequently.

The third part of the questionnaire includes research-specific questions. In order to conduct the study, it was necessary to first identify the dependent variable, i.e. the measured one, also known as the output variable, for which changes influenced by the independent variables, i.e. the controlled or manipulated ones, also known as input variables, are to be observed. As mentioned, the research objective is to measure the impact on the purchase intention of cinema tickets, which will be our dependent variable. This is influenced by the duration and awareness of release windows (H1), digital marketing strategy (H2a) and cast recognisability (H2b), which will be our independent variables. This structure allows us to observe the impact that these variables have on the behaviour of the cinema audience.

Therefore, in the third section, we have four Likert scales, one for each variable. The Likert scale technique involves presenting a number of statements, called items, for which

respondents are asked to indicate their position on an agreement/disagreement scale. In our case, each block presents 5 items and a 5-level scale:

- 1 = Completely disagree
- 2 = Somewhat disagree
- 3 = Neither agree nor disagree
- 4 = Somewhat agree
- 5 = Completely agree

Once the collected data were exported to SPSS, in order to analyze them, it was necessary to transform the variables by finding their means and subjecting them to the normality test. In this case, the variables were not normally distributed. Therefore, instead of a linear analysis, to address hypotheses H1 and H2, an ordinal regression analysis was applied first, where, as mentioned earlier, the dependent variable is the purchase intention, and a bivariate non-parametric Spearman correlation next. Ordinal regression allows generating predictions and assessing the importance of various predictive variables. So, if we have a positive estimate, for each increase in units of an independent variable, there will be an expected increase in a certain value in the probability (logit) that the dependent variable falls into a higher level. Conversely, if the estimate is negative, an increase in the independent variable will result in a decrease of a certain value in the probability that the dependent variable falls into a higher level. The Spearman coefficient, instead, is an index to measure the bivariate relationship between two variables, whose value can range from -1 to 1 (it equals 0 if the data show no form of common tendency).

Subsequently, to analyse hypotheses H2a and H2b, descriptive statistics were used for the individual questions of the Likert scales. By observing the frequencies and corresponding percentages for each question, we can delve into the respondents' preferences in more detail.

QUANTITATIVE RESEARCH RESULTS

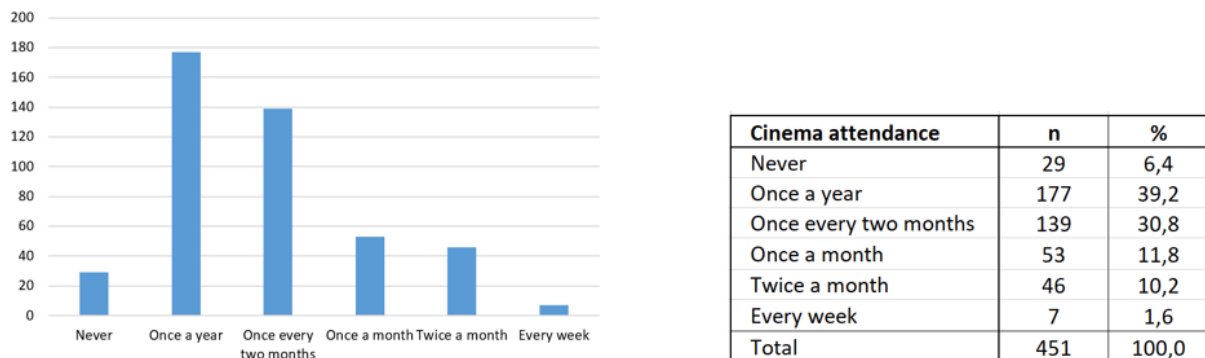
1. RESEARCH-SPECIFIC QUESTIONS: STATISTICAL ANALYSIS

1.1 Cinema and streaming consumption

Before delving into the detailed results of the Likert scales that will determine the answers to the hypotheses at the centre of the study, it is advisable to analyse the responses to the previous questions, which allow us to contextualize the sample within the scope of the sector of interest.

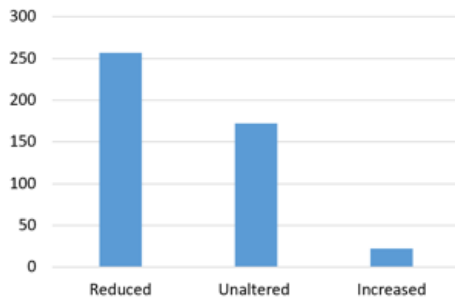
Firstly, the majority of respondents stated that they go to the cinema with a frequency of about once a year (39.2%) or once every two months (30.8%), while 29 respondents (6.4%) claimed to never watch movies at the movie theatre. In contrast, the remaining respondents (23.6%) attend the cinema more frequently: once a month for 11.8%, twice a month for 10.2% and a minority of only 1.6% declared to go every week (Figure 8).

Figure 8 – Respondent’s frequency of cinema attendance



Respondents were then asked if their habits of going to movie theatres had changed in any way following the COVID-19 pandemic crisis. The vast majority (57.0%) have reduced the frequency with which they watch movies at the cinema, 38.1% claim not to have changed their habits, while only a minority (4.9%) state that they go more frequently (Figure 9). These are, of course, much generalized data in this case, as changes in habits during a particular period like that marked by the pandemic crisis could have been influenced by various factors. For example, some consumers may have maintained the habits adopted during the lockdown period by continuing to enjoy the convenience of VOD services more regularly, while others may have needed to take precautionary measures for health reasons.

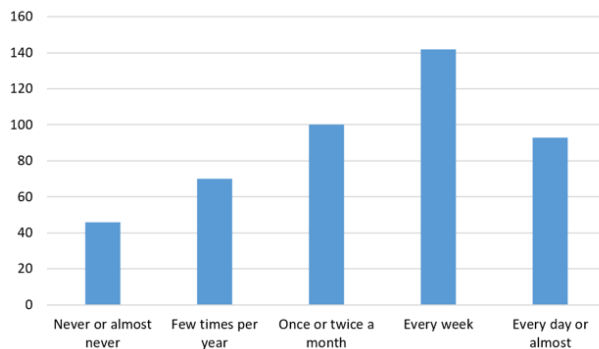
Figure 9 – Respondent’s change in frequency of cinema attendance after COVID-19 crisis



Change in attendance	n	%
Reduced	257	57,0
Unaltered	172	38,1
Increased	22	4,9
Total	451	100

Moving on to the consumption of streaming services, the first question also concerns how frequently these services are used. Starting from the assumption that, generally, the frequency of consuming content through streaming services is higher, different items were used compared to those used in relation to cinema attendance. In fact, only a minority, about 10.2% of the participants, stated that they never or almost never use these services, while the relative majority (31.5%) watches movies in streaming every week. It was also found that 15.5% of respondents watch streaming movies a few times a year, 22.2% once or twice a month, while a substantial 20.6% of respondents reported a daily or near-daily frequency (Figure 10).

Figure 10 – Respondent’s streaming consumption



Streaming consumption	n	%
Never or almost never	46	10,2
Few times per year	70	15,5
Once or twice a month	100	22,2
Every week	142	31,5
Every day or almost	93	20,6
Total	451	100

When asked to select the streaming services used for viewing movie productions, two S-VOD services, Netflix and Amazon Prime Video, have the highest number of users: 76.7% of responses for the former and 65.2% for the latter. Following them, the B-VOD service RaiPlay, used by half of the respondents, surpasses the Walt Disney platform, which recorded a percentage of 30.8%. Sky’s service is next with 24.4% of users. The other platforms, including Infinity+, Apple TV+ and Chili, registered lower percentages, selected by less than 10% of

participants (Figure 11). In particular, the questionnaire asked to rank the services from most used to least used. Table 5 presents the results, where 1 indicates the service selected as the most used and 9 the least used, hence the average will be lower for the most used service. The results allow us to understand the preferred services in cases where multiple ones were selected as used. As expected, the preferences results resemble the previous ranking, with Netflix, Prime Video and RaiPlay at the top.

Figure 11 – Streaming services used by the respondents

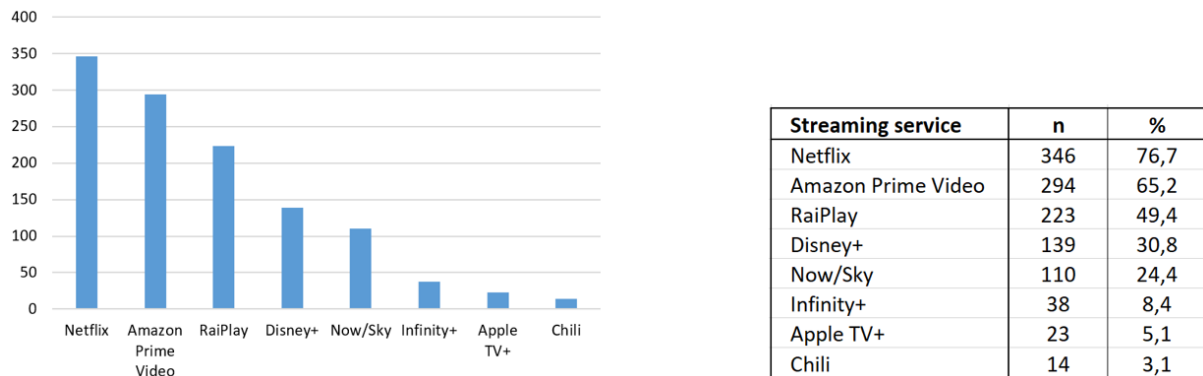


Table 5 – Streaming services ranked by respondents' preference

Streaming service	1	2	3	4	5	6	7	8	9	MEAN
Netflix	265	81	40	25	19	13	3	3	2	1,96
Amazon Prime Video	62	174	119	55	20	11	7	2	1	2,72
RaiPlay	45	73	96	92	80	41	16	5	3	3,71
Disney+	19	52	97	116	81	38	20	17	11	4,18
Now/Sky	41	53	52	80	108	66	32	10	9	4,31
Infinity+	4	10	25	39	74	178	88	25	8	5,72
Apple TV+	3	3	10	28	39	63	214	80	11	6,57
Chili	0	2	3	8	25	31	57	280	45	7,54
Other	12	3	9	8	5	10	14	29	361	8,29

1.2 H1: Release windows and movie theatre attendance

H1. *There is not a significant and consistent relation between release windows duration and purchase intention for movie theatre tickets.*

The first group of questions in the Likert scales is dedicated to the participants' inclination towards the movie theatre, while the second one is designed to understand the various perceptions and awareness that respondents have regarding exclusive release windows and how they influence decisions related to watching movies.

The variables used in this case are purchase intention (PI) as the dependent variable and sensitivity to release windows (RW) as the independent variable. The variables were found to be non-normally distributed, so an ordinal regression analysis was applied. For the variable related to release windows, a negative estimate of -0.531 was found, which is statistically significant (with a significance level of <0.001) and has a standard error of 0.095. Therefore, the level of perception of release windows appears to be a negative predictor of the dependent variable, suggesting an inverse relationship between the variables. The coefficient indicates that for each unit increase in the independent variable, there is a predicted 0.531 increase in the odds ratio of moving to a lower level in the dependent variable.

Bivariate correlation was then calculated using the Spearman's rank correlation coefficient (ρ), which measures the non-parametric correlation between two ordinal variables. In the case of release windows, a coefficient of -0.242 was obtained, with a high level of statistical significance (<0.001), indicating a moderate negative correlation between the two variables. This suggests that when the value of one of the variables increases, the value of the other tends to decrease, but moderately, as the coefficient is relatively close to zero.

Both analyses thus demonstrate the existence of a weak negative relationship between the perception of exclusivity release windows and the intention to purchase cinema tickets. However, it is advisable to delve further into the details by examining the responses to individual questions.

Firstly, the average of the values attributed to the different items is 2.75, which is lower than 3, considered as the neutral value on the Likert scale used. This data suggests a low regard for the waiting period between cinema release and other distribution channels among the sample. On average, respondents appeared indifferent to the waiting period when deciding whether to go to the cinema (RW_1) and when choosing between two movies (RW_4). The two questions that presented specific hypotheses about the duration of the exclusivity period were the ones with the highest perception, as they were the only two whose values exceeded the group's average. In particular, a relative majority of participants (33.3%) stated that they somewhat agreed (a score of 4 on the scale) with the statement that waiting for a year for streaming release encourages cinema attendance (RW_2). However, the average of responses for this item yields a value of 3.35, hence close to the neutral one. Regarding a shorter waiting period, a relative majority slightly smaller compared to the previous question (27.7%) indicated being somewhat inclined (4) to wait 3-4 months for home viewing of a film (RW_3). On the other hand, an only

scarcely inferior portion of respondents (23.7%) disagreed to some extent (2), resulting in an overall item average of 2.81.

The table below (Table 6) summarizes the responses given by the participants to the various statements (see the questionnaire in the appendix for the items), their respective means, standard deviations, as well as the decision. The latter shows a high perception if the mean of the individual item is greater than that of the Likert group, and low if it is inferior.

Table 6 – Summary of respondent’s answers to purchase intention and release windows Likert Scales

ITEM	1	2	3	4	5	MEAN	ST. DEV. (σ)	DECISION
PI_1	14 (3,1%)	10 (2,2%)	33 (7,3%)	147 (32,6%)	247 (54,8%)	4,34	0,937	high perception
PI_2	22 (4,9%)	29 (6,4%)	47 (10,4%)	201 (44,6%)	152 (33,7%)	3,96	1,067	high perception
PI_3	33 (7,3%)	70 (15,5%)	85 (18,8%)	157 (34,8%)	106 (23,5%)	3,52	1,213	low perception
PI_4	25 (5,5%)	41 (9,1%)	49 (10,9%)	145 (32,2%)	191 (42,4%)	3,97	1,182	high perception
PI_5	50 (11,1%)	108 (23,9%)	59 (13,1%)	151 (33,5%)	83 (18,4%)	3,24	1,304	low perception
PI						3,81	1,14	
RW_1	130 (28,8%)	76 (16,9%)	105 (23,3%)	106 (23,5%)	34 (7,5%)	2,64	1,316	low perception
RW_2	65 (14,4%)	55 (12,2%)	85 (18,8%)	150 (33,3%)	96 (21,3%)	3,35	1,329	high perception
RW_3	94 (20,9%)	107 (23,7%)	83 (18,4%)	125 (27,7%)	42 (9,3%)	2,81	1,299	high perception
RW_4	135 (29,9%)	82 (18,2%)	114 (25,3%)	94 (20,8%)	26 (5,8%)	2,54	1,27	low perception
RW_5	162 (35,9%)	92 (20,4%)	78 (17,3%)	82 (18,2%)	37 (8,2%)	2,42	1,35	low perception
RW						2,75	1,31	

Hence, we can assert that the sample has demonstrated a greater perception of their awareness of release windows when explicitly presented with two different waiting hypotheses, but still, it does not show a particular focus on the exclusivity period as there are no values that significantly deviate from the neutral point. Consequently, we can argue that, although there is a negative correlation between the two variables, it is of modest magnitude, and no particular sensitivity to the duration of release windows was detected. Therefore, we can consider the first hypothesis confirmed.

1.3 H2: The effect of digital marketing and cast familiarity

H2. Consumers' purchase intentions are more influenced by the digital marketing strategy and the recognisability of the cast than by the exclusive theatre release window.

In order to measure the weight that digital marketing strategies and the notoriety of the cast have on consumer decision-making in this area, we need to examine the responses collected for the other two groups of Likert scale questions. We will once again use the purchase intention as the dependent variable, but the independent variables will be digital marketing (DM) and familiarity with the film's cast, referred to as star system (SS) for the sake of simplicity. As the case of release windows, the variables were found to be non-normally distributed, so ordinal regression analysis and the Spearman index were applied.

Starting with digital marketing strategies, both analyses yield negative values but are not statistically significant. In fact, the ordinal regression shows an estimate of -0.057, which is quite low, with a statistical significance level of 0.616. Similarly, in the case of the non-parametric Spearman correlation, we obtain an index of -0.057 with a significance level that is too high (0.230) to let us consider the results relevant for the study. In other words, these high values of significance suggest that the observations could easily occur by chance, so we do not find significant evidence in support of the hypothesis. However, it does not imply the latter is disproved, although we do not have sufficient evidence to confirm it.

Regarding the recognisability of the cast, the ordinal regression analysis indicates the independent variable as a positive (0.633) and statistically significant (<0.001) estimate, with a standard error of 0.130. It, therefore, appears to be a positive predictor of the inclination to watch a movie, meaning that for each unit increase in SS, we would expect a predicted increase of 0.633 in the probability of falling into a higher level of the dependent variable. In the bivariate non-parametric correlation analysis, the Spearman coefficient also shows a significant (<0.001) positive but weak correlation, equal to 0.189.

Hence, referring to the second hypothesis of this study, we do not have sufficient evidence to provide an answer regarding the impact of digital marketing, as above explained. Concerning the familiarity with the cast, we are unable to clearly define the comparison with the influence of release windows so far. This is because the ordinal regression estimate appears to confirm the hypothesis ($0.633 > -0.531$ in absolute values), while the Spearman index seems to negate it

(0.189 < -0.241 in absolute values). Therefore, it may be useful to examine descriptive statistics and responses to individual items, which will also allow us to address the two sub-hypotheses.

H2a. *Consumers' purchase intentions are highest when a consumer has been exposed to a lot of social media content, lower when a consumer has seen only a trailer, and lowest when a consumer has seen only a YouTube ad.*

H2b. *Consumers' purchase intentions are highest if a consumer is a fan of the main actor or at least knows part of the cast, lower when a consumer has seen an interview with cast members, and lowest when a consumer does not know the cast.*

In response to the questions related to digital marketing strategies and the influence of familiarity with the cast, mean values of 3.08 and 3.37 were obtained, respectively. These values are not significantly higher than the neutral rating of 3, but they are still higher than the mean relative to release windows (2.75).

Let's focus on digital marketing first. The item with the lowest mean (2.85) pertains to advertisements on YouTube, in line with the study hypothesis H2a. In fact, only 4.4% of participants completely agreed with the statement that an ad on YouTube influences the desire to watch a movie (DM_1). Regarding media presence, the analysis of responses yielded mostly neutral values, both regarding the relationship between exposure to content and the likelihood of appreciating the film (DM_4) and regarding the relevance attributed to social media (DM_5). On the other hand, 35.9% of respondents somewhat agreed with the statement that strong media presence positively influences the incentive to watch a movie (DM_3). The mean for this item (3.21) is slightly higher not only than the neutral value but also than the overall mean of 3.08. Finally, the item that received the highest consensus among the respondents, with a mean of 3.45, highlights the attention drawn to a film through its trailer (DM_2). This question, in addition to yielding the highest mean, also shows the lowest standard deviation (1.068), with 46.3% of responses at the fourth position on the Likert scale.

Therefore, we observe that the first sub-hypothesis is only partially confirmed. Indeed, advertising on YouTube is indeed the least valued promotional medium among the three analysed, but the sample has shown a greater influence from the trailer than from the media presence of content related to the film.

Moving on to the weight attributed to recognisability of the actors, we find this latter independent variable to be the most significant, as it yields an overall mean of 3.37, the highest among the three groups of Likert scale questions related to the independent variables. The only statement corresponding to a value lower than neutral concerns the positive relationship between watching at least part of an interview and the incentive to watch a film (SS_4), as the relative majority (33.5%) expressed indifference. However, in general, the sample considers interviews as a good way to get to know the cast (SS_3) and views the possibility of seeing promotional photos and videos (SS_5) quite positively. 41.9% of respondents somewhat agreed with the statement that the decision to go to the cinema could be determined by being a fan of an actor in the cast (SS_2). Furthermore, more than half of the participants (56.5%) responded somewhat positively to the presence of an at least partly known cast.

These data allow us to support sub-hypothesis H2b, which suggests that being a fan or at least knowing and appreciating part of the film's cast represents an incentive, and interviews are considered a positive element, although not decisive, in the decision-making process of the sample.

Table 7 summarizes the Likert scale positions of the participants in relation to the various statements, along with their frequencies and percentages, means, standard deviations and perception levels.

Table 7 – Summary of respondent’s answers to digital marketing strategy and familiarity with the cast Likert Scales

ITEM	1	2	3	4	5	MEAN	ST. DEV. (σ)	DECISION
PI						3,81	1,14	
RW						2,75	1,31	
DM_1	95 (21,1%)	58 (12,9%)	139 (30,8%)	139 (30,8%)	20 (4,4%)	2,85	1,199	low perception
DM_2	31 (6,9%)	53 (11,8%)	103 (22,8%)	209 (46,3%)	55 (12,2%)	3,45	1,068	high perception
DM_3	60 (13,3%)	57 (12,6%)	117 (25,9%)	162 (35,9%)	55 (12,2%)	3,21	1,21	high perception
DM_4	67 (14,9%)	90 (20,0%)	159 (35,3%)	111 (24,6%)	24 (5,3%)	2,86	1,111	low perception
DM_5	59 (13,1%)	81 (18,0%)	131 (29,0%)	152 (33,7%)	28 (6,2%)	3,02	1,136	low perception
DM						3,08	1,14	
SS_1	27 (6,0%)	37 (8,2%)	71 (15,7%)	255 (56,5%)	61 (13,5%)	3,63	1,014	high perception
SS_2	69 (15,3%)	57 (12,6%)	75 (16,6%)	189 (41,9%)	61 (13,5%)	3,26	1,279	low perception
SS_3	19 (4,2%)	42 (9,3%)	120 (26,6%)	200 (44,3%)	70 (15,5%)	3,58	0,998	high perception
SS_4	61 (13,5%)	89 (19,7%)	151 (33,5%)	128 (28,4%)	22 (4,9%)	2,91	1,101	low perception
SS_5	35 (7,8%)	37 (8,2%)	124 (27,5%)	199 (44,1%)	56 (12,4%)	3,45	1,062	high perception
SS						3,37	1,09	

Returning to the second hypothesis of the study, therefore, looking at the descriptive statistics, we could consider it confirmed since the respondents have shown a more positive inclination towards digital marketing and the star system. However, we are unable to decisively confirm or negate it as the regression and correlation analyses did not yield clear results (Table 8) and do not allow us to make an adequate comparison.

Table 8 – Summary of statistical results

Independent variable	Ordinal regression		Spearman's ρ	
	Estimate	Sign.	Correlation coefficient	Sign.
RW	-0.531	<0.001	-0.241	<0.001
DM	-0.057	0.616	-0.057	0.230
SS	0.633	<0.001	0.189	<0.001

2. MAIN FINDINGS

The sample, on average, declared to not consider streaming as a substitute for the movie theatre (PI_3) and to perceive the latter as a more enjoyable and complete experience compared to home viewing (PI_4). Referring to what was mentioned by Calzada and Valletti (2012) in their study, the success of release strategies like the day-and-date one, strategies that imply a very brief release window, is also determined by the degree of substitutability between the versions. In fact, most respondents answered positively when asked whether some films are considered more suitable for the cinema than others are (PI_2). Therefore, we can deduce that different films should correspond to different optimal distribution strategies. If the perception of a quality difference with the non-cinematic adaptation of the film is lacking, there is a risk of cannibalization. The results of this survey, therefore, suggest that, given the absence of evidence of substitutability perception, the demand side does not seem to be sensitive to the duration of the waiting period preceding availability on streaming.

It is important to emphasize that although the variable is simplistically referred to as “Release Windows”, it actually represents sensitivity to them. Therefore, the negative results do not indicate that the presence of exclusivity periods discourages consumers, but rather that the awareness of a longer exclusivity period could have negative effects on box office revenues. In fact, the sample showed greater sensitivity in statements that explicitly mentioned the hypothetical waiting period, thus increasing participants’ awareness and perception. Conversely, the more generic items seem to suggest that in their decision-making process moviegoers place little to no importance on the possibility of subsequently viewing the same production at home and any potential waiting period.

The results of the study are in line with that conducted by Ciciretti et al. (2015) regarding the positive influence exerted by well-known actors. The data show us that the presence of a known actor or cast is positively and statistically significantly associated with the decision-making process of the moviegoing audience and can therefore lead to greater visibility for the production. In fact, the vast majority of respondents confirmed the assumption that the cast can serve as a sort of guarantee for the quality and appreciation of the film. Even though the sample does not appear to value interviews as part of their decision-making process, they still tend to regard them as a good way to get to know the cast. This implies that promotion through interviews that allow the audience to get to know the cast can subsequently lead the public to have a more positive attitude towards future productions in which the actors will be involved.

This is because we observe a general tendency to prefer films in which at least part of the cast is known and appreciated.

Regarding digital marketing, as we have seen, statistically significant data do not emerge in either the ordinal regression or the Spearman index. In order to verify if there were significant differences determined by age, the analyses were replicated separately for the four different generations. Although the regression and correlation analyses did not yield significant values, by observing the means reported in the table below (Table 9), it can be noted that the younger generations are the ones who value exposure to social media the most, even though the difference is not substantial.

Table 9 – Summary of respondents’ answers on digital marketing by generations

GENERATION	DM_1	DM_2	DM_3	DM_4	DM_5	MEAN
Gen Z	3,39	3,52	3,68	3,22	3,23	3,41
Gen Y	3,03	3,58	3,21	2,85	3,03	3,14
Gen X	2,63	3,48	3,08	2,68	3,01	2,98
Baby boom	2,46	3,26	2,88	2,71	2,8	2,82
Mean	2,88	3,46	3,21	2,87	3,02	3,09

DISCUSSION, LIMITATIONS AND RECOMMENDATIONS FOR FURTHER RESEARCH

1. THE DEBATE SURROUNDING STREAMING PLATFORMS AND RELEASE WINDOWS

At a national level, the release window system is considered the primary means to ensure the protection of movie theatres, especially in response to the recent surge in favour of VOD services. However, it is essential that this happens with the awareness of the need to adjust the regulation of post-cinematic exploitation windows to the changing landscape.

Undoubtedly, nowadays streaming platforms represent an alternative that the moviegoing audience takes into consideration and they can, therefore, pose a threat to movie theatres. However, the focus of this study was to understand whether there is evidence of a relationship between the duration of exclusivity windows and box office success. International data, in fact, demonstrate the absence of a direct correlation between window regulations and the return of audiences to theatres after Covid-19 crisis. There has been evidence of greater recovery in the United Kingdom, where no regulatory restrictions are applied, and similar results in France, where regulations in this regard are stringent.

As previously demonstrated, the data from this study indicate a weak negative relationship between consumer sensitivity to release windows and their propensity to use cinemas. In particular, participants showed a greater response when presented with a specific window, even though they had not typically shown interest in the waiting period. Therefore, it might be advisable to delve deeper into this aspect with further studies that measure the level of awareness the audience has regarding the duration of release windows. In other words, one could investigate the effect on consumer decision-making processes if distributors were to explicitly announce in advance whether and when the film would be distributed through alternative channels following the primary cinema release. Another point of analysis could concern the different perception that the Italian audience has regarding national and USA productions in this regard. Specifically, understanding whether distribution on alternative channels is considered more likely and upcoming for USA films, especially those from studios vertically integrated with their own streaming platforms. Conversely, whether there may be more uncertainty surrounding Italian productions, in terms of both distribution methods and

the duration of the post-theatre waiting period. Lastly, these analyses could provide evidence of whether it is advantageous for film distributors to communicate in advance the subsequent non-cinematic release and its date, when possible.

With regard to the difference in practices between Italian and international productions, it is a specific subject of debate. In fact, the windowing system, as of today, applies exclusively to Italian cinematic productions, inevitably placing them on a different competitive level compared to foreign ones. In order to eliminate this form of disparate treatment between national and international films, two opposing solutions seem to present themselves. On one hand, if the regulations were to follow the French model, thereby maintaining or even strengthening the regulation, these rules would need to be applied to international films as well. On the other hand, if Italian regulations were to move towards the British model, restrictions would be lifted for national productions as well, placing them on an equal footing with foreign ones.

The implementation of this last change would allow Italian companies to have a decision-making power that they currently lack. Although the windowing system serves as a form of protection for cinemas, its absence would grant production and distribution studios the freedom to independently evaluate the best solution for individual productions. The initial cinematic release remains the primary distribution channel in terms of visibility and revenue, also determining success in subsequent channels. In fact, even for American studios that have the flexibility to choose their exploitation windows without restrictions, it can be observed that strategies like day-and-date releases have been rarely applied so far.

On one hand, making the film available on multiple platforms in addition to cinemas on the same day or shortly thereafter allows to reach a broader audience, to limit illegal streaming and to contain marketing and distribution costs by eliminating the need for multiple promotional campaigns while capitalizing on the peak of interest in the film. On the other hand, using such distribution strategies can undermine the possibility of participation in certain festivals and awards, and it could lead to the unintended effect of cannibalizing box office revenue.

Removing the constraints of exclusivity duration means leaving it to production and distribution companies to individually assess these factors and make the most appropriate decision for the film, with the awareness that if movie theatres were harmed due to excessive cannibalization risk, it would also negatively affect the potential revenue generated by the film.

To date, Italian companies are subject to financial constraints that do not allow them to decide freely in this regard. State financial support for the film industry is a topic of discussion as well. In fact, the tax credit can be considered as an incentive, albeit indirect, to bring the audience back to cinemas. The tax credit for distribution enhances promotion and marketing, hence increasing this tax would help national productions raise their visibility and compete with foreign productions, especially those from the United States, which have larger budgets.

2. FINDING THE RIGHT MODUS OPERANDI THROUGH MARKETING AND CELEBRITY CULTURE

Certainly, companies are subject to these national regulations and can only conform to them. It is therefore necessary for domestic productions to find the most effective way to gain visibility against major films and maintain it even in subsequent distributions beyond theatrical releases, which involve increased competition due to a significantly larger array of offerings for the audience.

It should be noted that the United States benefit from a diverse and highly influential entertainment culture, not only domestically but also globally. The entertainment culture, with its extensive content production and artistic diversity, has made the United States a key reference point in the global entertainment industry. It is also worth mentioning the US is home to some of the most prestigious film festivals and awards in the world, foremost among them being the Academy Awards (Oscars), which have the power to influence global attention on films, directors, and actors, thereby determining which films capture the interest of the general audience from other nations as well. While Italy does have prestigious festivals, including the Venice Film Festival, which receives more international visibility, they are generally less influential compared to international festivals.

American film promotion is undoubtedly broader, more expensive, and competitive, requiring significantly higher promotional budgets than what Italian productions can enjoy. There are several significant differences in terms of strategies used as well. In the USA, promotion often begins months in advance with teaser trailers – which are shorter in length –, official trailers, posters and online, television and print advertisements, as well as through promotional events such as premieres and press conferences. In Italy, due to budget constraints and a different

cultural approach, promotion may be less extended and primarily focused on the weeks leading up to the film's release.

Regarding online promotion, it has become increasingly important both in the United States and in Europe, but the approaches can vary depending on the platforms used and the social media strategies adopted.

This study, as we have seen, did not yield significant results regarding the influence exerted by media presence on the film audience. Therefore, subsequent research could contribute to thoroughly understanding the difference made by an effective digital marketing strategy. At the same time, it would be necessary to investigate how Italian distributors approach this aspect, such as the percentage of the budget typically allocated to marketing. Undoubtedly, the creation of engaging promotional content is crucial, as is the use of sponsored ads on social media. A significant component of digital marketing is also online word-of-mouth, which is the sharing of users' comments. Users should be encouraged to share their opinions and content related to the film on social media. The combination of engaging content, targeted advertising, and interaction with the audience can contribute to creating strong interest and anticipation for the film's release. In this regard, Netflix's strategy is noteworthy as one of the key factors behind its success. Its strong presence on social media leads to active engagement with the audience, creating a sense of community and loyalty among users.

While film promotion for Italian films usually leans more towards storytelling and the narrative of the film, emphasizing its plot and meaning, Hollywood productions often aim to attract the audience with spectacular trailers and other promotional means, while highlighting celebrities. The so-called "*celebrity culture*" is a significant part of the entertainment culture in the USA, placing artists and public figures in general at the centre of media attention, creating a large following of fans. Celebrities are often prominently featured in advertising campaigns and promotional interviews.

For what concerns promotional campaigns that focus on artists, we can also observe differences in the type of interviews conducted in the USA and Italy, primarily due to cultural reasons and differences in typical interviews practices in these countries.

On one hand, promotional interviews in the United States tend to have an informal and conversational style, often including questions not strictly related to the film and more personal ones, concerning their lives outside the set and future projects. On the other hand, in Italy, interviews tend to reflect the affinity for the national cinematic tradition, with questions that

are more attentive to the artistic and cultural aspects of the film and aim to explore its themes and meaning. The more formal style means that the central focus of promotional interviews is on the technical and artistic aspects of the film, as well as the performances and careers of actors and directors, with greater respect for their privacy.

The differences mentioned here in a generalised manner can influence the content of interviews and the extent of film promotion. While the US model helps creating a deeper connection with the audience and not only generating but also consolidating interest in the actors themselves and their future roles, it is essential to consider that the star system also has effects that have been criticized by many.

Indeed, the data from the analysis conducted here show us that knowing the cast before the film's release can contribute to its success, and that a closer connection to the personalities of the actors can determine audience loyalty and represent an integral part of the promotion for the current film and future ones as well. However, the so-called star system, as it has evolved to date and as it was in its early stages, continues to have side effects, such as the greater risk that large film productions may overshadow other technically and artistically high-quality productions simply due to the presence of highly popular actors.

In Italy, domestic productions that receive greater visibility are usually those with actors who have already established fame and have long-lasting successful careers. Here, another possible negative consequence becomes apparent, namely the perception of a tendency toward repetitiveness and a lack of new faces on the big screen. Especially for younger generations, there seems to be a scarcity of recognizable actors who can serve as points of reference. Instead, even when new talent is given opportunities in substantial films where they play leading roles, it is rare and challenging in Italy for their profiles to be elevated to the point of attracting public interest, building a following. Generally, they struggle to consolidate their fame and return subsequent roles with a good level of recognition.

A potential avenue for future research could delve into the audience's inclination to value the presence of a well-known cast and the perception of national cinematography from these perspectives.

3. CURRENT DEBATES AND OBSERVATIONS

3.1 Pierfrancesco Favino against Hollywood: food for thought or unjustified doggedness?

For further observation concerning the national approach to stardom, one could take a cue from a recent statement made by Pierfrancesco Favino during the Venice Film Festival, one of Italy's most outstanding and accomplished film celebrities and one of the few Italian actors with international recognition. The actor expressed his view against Hollywood productions that intend to tell Italian stories played by American actors. Specifically referring to Scott's *"House of Gucci"* (2021) and Mann's *"Ferrari"* (2023), both featuring American actor Adam Driver in lead roles, Favino criticized the Hollywood trend of portraying Italian stories with artists nowhere close to Italian culture. *"The Italian audience will regain trust in Italian cinema when they see Italian actors entering international productions"*, stated the Italian actor, dividing public opinion and industry professionals between those who understand his perspective and agree and those who consider it an exaggeration and unjustified criticism.

On one hand, these are major American productions, and the choice of an American cast may seem obvious. On the other hand, it can also be attributed to the limited visibility that talented Italian actors have internationally, leading them to unsuccessfully compete with global stars even for roles that should be closer to their cultural background as they tell stories from their own country.

3.2 Seasonality of Italian cinema and the "Barbieheimer" phenomenon: when marketing and star system defy demand habits

An illustration of the power wielded by marketing and affiliation with renowned directors and casts can be observed in a phenomenon that has recently taken place. First, it should be noted that historically the film industry in Italy experiences strong seasonality, with significant declines in the summer months, resulting in fewer, less successful films being released during that period, and many movie theatres closing.

Until 2018, especially concerning Italian and European films, none of the major and with commercial potential ones were released between May and the end of August. This period is indeed almost delimited by two of the most important European film festivals: the Cannes Film

Festival in May and the Venice Film Festival at the beginning of September. For example, in 2023, *“Rapito”*, film directed by Marco Bellocchio and presented at Cannes, was released on May 25th, earning 1.6 million euros. While not an enormous sum overall, it was notable for a challenging film without major star appeal. However, since 2019, there has been an attempt, through the Moviement initiative, to create a richer offering by distributing Italian and European films even during the summer months. This effort involves theatres committing to remain active and fully operational (Niola, 2023).

For years, the release of major American films that opted for simultaneous (or near-simultaneous) distribution in the USA and worldwide has shown that the Italian audience, adequately attracted through massive advertising campaigns or drawn by highly anticipated films, was and is willing to go to the cinema during the summer months, just like foreign audiences. In contrast, the rest of the Italian and European productions did not enjoy the commercial and promotional strength to ensure significant box office earnings. The consequence has always been overcrowding in the remaining eight months of the year, an excess of offer that often prevented individual films from having sufficient space and time to optimize their earnings (Niola, 2023).

For Italian cinemas, the summer of 2023 was a record-breaking one. As reported by Cinetel data, from June 11th to August 27th, the best result ever recorded – since Cinetel began tracking admissions – was achieved, with 13 million attendees (a 13.6% increase compared to 2019) and 90 million euros in box office revenue. For the first time in the Italian market, the second quarter of the year had an equivalent weight to the first one (Maffioletti, 2023).

While on one hand, the ministerial initiative “Cinema Revolution”, which implemented a reduction in cinema ticket prices, acted as an incentive for attendance, credit is also attributed to the presence of many highly anticipated American films in theatres. Besides productions such as *“Fast X”* (also known as *“Fast and Furious 10”*, released on May 18th), *“Indiana Jones and the Dial of Destiny”* (released on June 28th) and *“Mission: Impossible – Dead Reckoning – Part One”* (released on July 12th), what drove the record-breaking season was the *“Barbie”* phenomenon, which became the most profitable film in Warner Bors. history.

“Barbie”, the film directed by Greta Gerwig and starring Margot Robbie and Ryan Gosling, was released in the United States and several other countries on July 21st, the same day as *“Oppenheimer”*, the highly anticipated film by Christopher Nolan. While the latter has traditionally always released his films in the second half of July, a hypothesis supported by

many is that Warner positioned *“Barbie”* on the same weekend as a retaliation against Nolan for ending their long-standing collaboration and moving to Universal (Niola, 2023). The cause of the rupture in their relationship was precisely the change in Warner’s film release strategy, which during the pandemic had decided to release the entire film slate directly on HBO Max.

Initially, the general public expected one of the two major productions to change their release date in order to avoid harmful competition for both films. However, the challenge of deciding which film to see first gave rise to a social media trend that generated the global social phenomenon dubbed *“Barbienenheimer”*, even though for many, the only choice under consideration was to see both films on the same day. Neither of the two productions finally decided to move its release date to avoid a competitive overlap. In fact, this kind of rivalry was positively recognized and supported by the directors and actors of both films. Even before the release date announcement, the productions, despite being very different genres, had generated hype due to their affiliation with renowned directors and star-studded casts, and the simultaneous release did not hinder the success of both films despite the summer season. On the contrary, the emergence of the *“Barbienenheimer”* phenomenon exponentially amplified the visibility of both films, demonstrating the power of social media and online word-of-mouth.

However, in Italy, the same level of hype was not experienced because the audience was relieved by the change in release dates compared to those set in the United States and other countries. *“Barbie”* was released in theatres on July 20th, while the release of *“Oppenheimer”* was postponed to August 23rd. Italy was on par with Europe concerning the attendance to the two big summer productions: the former had the third-best European debut, while the latter had the second-best European debut.

The distrust surrounding the summer season in Italian cinemas is related to the reluctance of various sectors to take risks. On one hand, movie theatres do not want to remain open and schedule Italian films unless they are significant enough, and if distributors do not invest in advertising as they do during the rest of the year. On the other hand, distributors do not intend to release important titles during the summer or spend a lot on promotion without the guarantee that all theatres will remain open and schedule their films as they would throughout the rest of the year, giving priority to more reliable American films. Referring to this summer, it is indeed challenging to imagine that the Italian audience, which already has a tendency to attend cinemas less during this season, would choose to watch an Italian movie instead of one of the major productions offered from Hollywood.

Big productions need time and space to generate revenue. However, the release of other equally big productions usually diverts attention from marketing and scheduling time in theatres, which ultimately translates to lower box office earnings (Niola, 2023). Distributors, therefore, need to assess the best release options not only to promote their own film but also from a competitive perspective. The low expectations on the consumption by the Italian audience, justified by the well-established seasonality of the national cinema, have led Italy to deviate from the rest of the world in terms of strategy in the summer of 2023, avoiding the strict competition between “*Barbie*” and “*Oppenheimer*”. Given the records achieved, is it plausible to think that their simultaneous release could have potentially generated even higher numbers for the summer of 2023?

What should be noted is that if productions of this scale have managed, for the first time, to change the audience’s long-standing habits, it suggests that strong anticipation for a film and an effective allocation of investment in promotion and online marketing – adjusted to the available budget – could also ensure greater success for Italian films and allow them to compete on the international scenery.

CONCLUSIONS

The release system for film productions in Italy has long been one of the central topics of discussion in the industry. The pandemic period has contributed to reigniting the debate in response to the boost the scenario gave to the growth of streaming platforms. Most recently, Franceschini's attempt to reduce the exclusivity window from 105 to 90 days sparked controversies that led to the cancellation of the decree.

This study aimed to demonstrate whether there is a concrete and significant relationship between the duration of release windows and the box office success of films. In addition, we observed the influence exerted on the audience's decision by online marketing and affiliation with a recognizable cast. After comparing these with the impact of the movie theatre exclusivity period, a more detailed comparison was made between advertising on YouTube, movie trailers and media presence, as well as between the presence of a not previously seen cast, one with established following and actors introduced to the public through interviews.

The research involved administering a questionnaire to a sample of 451 participants without any restrictions of any kind. Hence, we analysed a generic sample, including respondents of all ages – particularly between 12 and 78 years old – gender and educational levels. There were no restrictions related to the participants' attitudes towards the research focus, so the sample also included individuals who do not attend cinemas, which may explain why some of the results were less indicative for the study's purposes.

Considering the limited availability of previous literature on the subject – that mostly observed the individual variables in different contexts –, this study could prove valuable in offering a new perspective on the topic, but above all, it could serve as a starting point for further in-depth research.

The questionnaire responses have highlighted a scarce consideration by consumers for distribution windows and their duration. In particular, they seem to suggest that the negative relationship with their inclination to attend movie theatres would be more pronounced if there were a higher awareness of the waiting period preceding non-cinematic distribution. Regarding digital marketing, the trailer has emerged as the primary promotional medium, followed by social media content, but the lack of statistical significance in the analysis prevents us from making an overall comparison with the effect of sequential distribution. This aspect, in

particular, would require a more detailed analysis. Finally, the data show that the recognisability of a film's cast can have a positive impact on its success, and the publication of interviews and promotional content focused on the actors can help attract attention to it. However, in this case as well, the values yielded by the analyses are not consistent enough to allow for a general comparison with the consideration of release windows.

The wide availability of choices offered by streaming platforms represents a disincentive for many to go to the cinema, and exclusivity windows can undoubtedly serve as a means of protection for theatres by the government. However, if Italian films fail to achieve the desired success, the reason cannot be solely found in VOD services and the duration of exclusivity windows. It is easy to argue that the cinema audience selects films based on their interest rather than how long they will have to wait to watch them at home.

Obviously, the dynamics of this industry are complex and involve multiple parties. The government is committed to supporting all parties through various types of investments and protecting the interests of theatres through the application of exclusivity windows, among other measures. The Italian film production tends to focus on topics closely related to culture and national culture and history, neglecting other genres such as fantasy, science fiction, action and musicals. Distributors, instead, must find the right balance by evaluating the best release and distribution strategies while being constrained by budget availability and national guidelines.

Hence, while the government sets the rules for national sequential release methods, and producers are responsible for selecting the cast, distributors must apply strategies that ensure the greatest success for films. In addition to assessing the best post-cinematic distribution timing and channels, the proper use of online marketing and the promotion of a film's cast support greater visibility, primarily at the box office and then on alternative channels.

Online promotion now allows not only for the easy dissemination of content to a wide audience simultaneously, but also for targeting this content to more or less specific audiences who are more likely to appreciate the product. In addition to the official trailer, which gives the viewer a rather clear idea of the type and quality of the film, it is essential that digital marketing contribute to maintain and solidify interest by the publication of additional content – such as photos and sneak peeks – and by encouraging discussion and word-of-mouth among users.

In Italy, there is also a lack of the so-called “*star system*”. In Hollywood, the popularity of actors, who benefit from great media visibility, usually has a significant impact on the success of a film. In Italy, on the other hand, the film industry tends to emphasize aspects such as

direction, screenplay and overall artistic and cultural value – often valuing productions with a more realistic, historical and dramatic approach – rather than the presence of famous actors. It should be emphasized that this does not imply that the star system is the key to a film’s success and therefore needs to be implemented in Italy as well, especially because it should be reminded that it can have unintended effects.

Instead of just emphasizing the presence of actors with renowned and established careers, there is a need to not only give space to new personalities on the big screen – especially from younger generations as millennials and gen z – but also, at the same time, to provide them with the media visibility necessary to attract public interest and nurture these talents in future projects to solidify their following’s loyalty.

The underlying idea of this study is that if a film production can achieve a good level of visibility and hype through adequate distribution and promotion strategies, the possibility of seeing the film through alternative channels will take a back seat in the decision-making process of the audience.

It is challenging to imagine fair competition with the Hollywood film industry, considering the economic, artistic, and cultural advantages it benefits from. Nevertheless, there is a need for greater commitment from the government and the entire sector to ensure that Italian cinema does not lose its prestige. Historically, Italy has always been admired for its immense artistic value; however, it is essential to avoid the tendency to safeguard and showcase national culture from turning into its crystallization and aversion to the evolution of the industry’s operating methods.

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APPENDIX: SURVEY

intro

Benvenuto*!

Stai per prendere parte ad uno studio che non presenta rischi. In ottemperanza al Regolamento UE 2016/679 del Parlamento Europeo e del Consiglio del 27 aprile 2016 relativo alla protezione dei dati personali, si ricorda che i dati forniti verranno trattati solo per finalità di ricerca scientifica, finalità non commerciali ed in maniera aggregata garantendo il più completo anonimato.

Il depositario del trattamento dei dati è il Dipartimento di Impresa e Management, LUISS Guido Carli di Roma.

Per qualsiasi informazione sulla ricerca si prega di contattare l'indirizzo email: agnese.bilardo@studenti.luiss.it.

Si prega di fornire tutte le informazioni richieste. Non ci sono risposte giuste o sbagliate. Per procedere, clicchi sul pulsante "Avanti" e, facendo ciò, acconsentirà al trattamento dei suoi dati.

informazioni demografiche campione

Per favore, indichi la sua età.

Per favore, indichi il suo genere.

- Maschio
- Femmina
- Genere non-binario / terzo genere
- Preferisco non dirlo

Per favore, indichi il titolo di studio più elevato da lei raggiunto.

- Licenza media
- Diploma di scuola superiore
- Laurea Triennale
- Laurea Magistrale o a ciclo unico

- Master o altro titolo post-laurea
- Dottorato

caso

Le chiedo ora di leggere attentamente la descrizione delle caratteristiche dei tre film A, B e C.

- A.** Film di cui ha visto il trailer con largo anticipo e con forte presenza mediatica (di cui ha visto molti contenuti e commenti sui social media). E' stato annunciato che il film verrà rilasciato su una piattaforma streaming entro 3-4 mesi.
- B.** Film che potrebbe interessarla in quanto di un genere di suo gradimento, ma non ne ha sentito molto parlare. Sa che il film probabilmente non sarà disponibile alla visione da casa prima di 1 anno.
- C.** Film di cui conosce e apprezza il cast. E' stato annunciato che il film verrà rilasciato su una piattaforma streaming entro 3-4 mesi.

Per favore, ordini i tre film da 1 (*il più probabile*) a 3 (*il meno probabile*), in base alla probabilità con cui andrebbe a vederli al cinema

A

B

C

abitudini fruizione sala e piattaforme

Per favore, indichi la frequenza con cui in media si reca al cinema.

- Mai
- Una volta l'anno
- Una volta ogni due mesi
- Una volta al mese
- Due volte al mese
- Ogni settimana

Per favore, indichi come è cambiata la frequenza con cui si reca al cinema a seguito della crisi pandemica.

- Ridotta
- Invariata
- Aumentata

Per favore, indichi i servizi streaming di cui usufruisce per la visione di produzioni cinematografiche (escludendo dunque la fruizione per serie TV).

- Netflix
- Amazon Prime Video
- Disney+
- Now/Sky
- RaiPlay
- Infinity+
- Apple TV+
- Chili
- Altro (specificare)

Per favore, ordini i servizi streaming da lei usati per la visione di produzioni cinematografiche da 1 (*il più utilizzato*) a 10 (*il meno utilizzato*).

Netflix

Amazon Prime Video

Disney+

Now/Sky

RaiPlay

Infinity+

Apple TV+

Chili

Altro (specificare)

Per favore, indichi la frequenza con cui in media usufruisce di servizi streaming per la visione di produzioni cinematografiche.

- Mai o quasi
- Poche volte l'anno
- Una o due volte al mese
- Ogni settimana
- Ogni giorno o quasi

Likert scales

Per favore, indichi in una scala da *completamente in disaccordo* a *completamente d'accordo* la sua posizione riguardo le seguenti affermazioni.

	Completamente in disaccordo	Abbastanza in disaccordo	Né d'accordo né in disaccordo	Abbastanza d'accordo	Completamente d'accordo
Considero il cinema una ottima forma di intrattenimento	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ritengo ci siano film più adatti alla sala cinematografica rispetto ad altri	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Non considero lo streaming come sostituto al cinema	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Considero il cinema un'esperienza più piacevole e completa rispetto alla visione da casa	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
L'ampia disponibilità di film in streaming non influenza la frequenza con cui mi reco al cinema	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Per favore, indichi in una scala da completamente in disaccordo a completamente d'accordo la sua posizione riguardo le seguenti affermazioni.,

	Completamente in disaccordo	Abbastanza in disaccordo	Né d'accordo né in disaccordo	Abbastanza d'accordo	Completamente d'accordo
Il periodo di attesa per il rilascio in streaming incide sulla mia decisione di andare al cinema o meno	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sono più incentivato ad andare al cinema per film che non potrò vedere a casa entro 1 anno	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
La consapevolezza di poter vedere da casa lo stesso film entro 3-4 mesi mi induce ad aspettare anziché vederlo al cinema	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Nella scelta tra due film, valuto anche il periodo di attesa per il rilascio in streaming	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Preferisco attendere la disponibilità sulle piattaforme streaming anche per evitare il prezzo del biglietto cinematografico	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Per favore, indichi in una scala da completamente in disaccordo a completamente d'accordo la sua posizione riguardo le seguenti affermazioni.

	Completamente in disaccordo	Abbastanza in disaccordo	Né d'accordo né in disaccordo	Abbastanza d'accordo	Completamente d'accordo
Sono incuriosito da un film se ne vedo la pubblicità su YouTube	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tendo a guardare film di cui ho visto anticipatamente il trailer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Una forte presenza sui social media mi incentiva a guardare un film	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Se sui social media mi imbatto su molti contenuti riguardanti un film, sono fiducioso che sarà di mio gradimento	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Valorizzo ciò che leggo e vedo sui social media almeno quanto ciò che sento dai miei conoscenti	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Per favore, indichi in una scala da completamente in disaccordo a completamente d'accordo la sua posizione riguardo le seguenti affermazioni.

	Completamente in disaccordo	Abbastanza in disaccordo	Né d'accordo né in disaccordo	Abbastanza d'accordo	Completamente d'accordo
E' più probabile che vada a vedere un film se conosco almeno parte del cast	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mi è capitato di andare al cinema anche solo in quanto fan dell'attore/attrice protagonista	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ritengo le interviste un buon modo per conoscere il cast di un film	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E' più probabile che vada a vedere un film dopo aver visto almeno parte di un'intervista	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mi piace vedere foto e video promozionali di film prima che siano distribuiti nelle sale	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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SUMMARY

INTRODUCTION

In recent years, the film industry has been characterized by the entry of streaming and on-demand services as new players that represent high-quality and almost threatening alternatives to movie theatres. In order to manage this growing competition and preserving cinemas, a system known as “release windows” is implemented, ensuring movie theatres a period of exclusivity during which the production cannot be distributed through other channels. In Italy, the duration of exclusivity windows has been a subject of debate and continuous changes over time. Currently, distributors do not have much flexibility regarding post-cinematic distribution timing, as state funding is subject to compliance with release windows.

Through the distribution of a questionnaire, this research aims to verify whether consumers actually take into consideration the period of exclusivity when deciding whether to go to the cinema. The underlying idea of this thesis is that other factors, such as digital marketing and the recognisability of the cast, prevail in determining the success of a film, both at the box office and afterwards.

BACKGROUND: THE FILM INDUSTRY

Geography of the film industry

Hollywood’s superiority began in the years of World War I and studios were progressively born resulting in the establishment of their oligopoly through a process of verticalization. The process of vertical integration led to the emergence of the oligopoly of the so called ‘Big Five’ studios – Paramount Pictures, Warner Bros., 20th Century Fox, MGM and RKO Pictures – which controlled the films’ production, distribution and exhibition. The Hollywood Antitrust Case of 1948 forced the separation of the phases, but under Reagan’s presidency in the early 1980s a process of vertical re-integration.

By 1986 home video had taken over as the main revenue source for the industry, surpassing theatrical revenues for the first time. The pursuit of vertical synergies led Hollywood’s majors to establish specialised divisions for distribution in VHS and DVD formats, thereby turning into multi-media corporations, while studios in Europe and Asia have been comparatively

reluctant to this diversification process. Even moving forward to more recent years, the emergence of streaming services has been embraced by the Big Five studios, that now own some of the most successful VOD (video on-demand) services.

As a result of globalisation in the industry, the number of cross-border co-productions has climbed, and global corporations have emerged. Hollywood corporations internationalised their productions, integrated horizontally and diversified their media, becoming globally owned and globally operating. Hollywood's dominance has been examined from various points of view. It can be referred to as a "two-sided network", with reference to the synergistic relationship between creators, producers and distributors, generating both same side and opposite side network effects. The USA film industry is indeed a very local business with a highly global reach. Another element to take into consideration is the need of a sizeable minimum market and significant scale economies to face development and marketing costs. Beside Hollywood productions, domestic movies are nearly almost preferred above international ones. Hollywood's creators developed a stylistic language that easily overcomes international borders by substantially removing cultural complexity and producing 'transnational' and 'less cultural specific' films, which are more suitable to engage the global diverse audiences. On the other hand, a rise in the preference for local products has been recently observed. Indeed, the term 'glocalisation' refers to a strategy that implies the global distribution of a locally adapted product.

Many governments invest significant resources to retain a presence in the film industry. The European Audio-visual Observatory classified the three main fiscal incentive structures: i) tax shelters, used to encourage investments; ii) rebates, to reimburse a portion of eligible budget through state's funding; iii) tax credits, which lower the producer's tax liabilities. In 2017, the "audiovisual and film investments development fund" (law 220/2016) was established in Italy. The fund finances different types of intervention and in the post-pandemic period its resources were increased and the maximum rates of tax credits, intended for operators in the sector, were raised, allowing tax debts to be offset against the credit accrued following an investment in the sector. The Franceschini Decree in 2018 increased the minimum quotas dedicated to European and Italian productions for both linear audiovisual media services and digital broadcasters, as well as investment levels.

Film distribution

It is possible to divide the cinema value chain in three main phases: production, distribution and exhibition. It can follow the North American Majors' model, in which the studios are involved in the entirety of the process, or it can be split between several collaborating players specialised each in one of the stages. On the one hand, the major studios became multimedia corporations and benefit from synergies deriving from vertical integration, which implied an increasing industry concentration. On the other hand, for European producers usually do not have direct and exclusive control over the distribution and exhibition of their movies.

In Italy, two main types of decision-making organizational models have emerged. The first model centralizes decision-making within the distributor, granting the company full autonomy for each film's distribution decisions. The second model, primarily applicable to Italian films, involves agreements between producers and distributors regarding distribution strategies. This model entails mutual decisions on release dates, the number of copies, marketing strategies, and other economic aspects.

According to the AGCM (2018), film distribution generally consists of three stages:

1. producers enter the distribution by selling licenses to National Distributors;
2. Regional agents and programmers operate as intermediaries between National Distributors and exhibitors;
3. theatres owners programme and screen films.

There are three different segments of National Distributors: a) Italian branches of the USA Majors; b) non-independent distributors, with vertical links with the broadcasters; c) independent distributors. The market shares vary greatly from year to year, but the CR4 index shows a fairly high level of concentration among the top 4 distribution companies and the US Majors generally remain the main players in the market.

The traditional channel involves screening films in movie theatres, but the landscape of film distribution is continually evolving. In addition to the free-to-air television broadcasting, pay TV allows periodic access only upon the conclusion of a subscription contract that entails the payment of a fee. On the other hand, pay-per-view refers to any TV broadcast of a single audiovisual product scheduled by the provider at predetermined times and accessible based on a temporary authorization valid only for the individual viewing of the specific product, against the payment of a single fee. A separate discussion concerns VOD (Video on Demand) services

and OTT (Over the Top) companies. In general, VOD refers to any type of content that can be reproduced without time constraints and provided through any medium. The term Over The Top (OTT) refers to the companies that offer services and content directly over the Internet.

Distribution concerns film exploitation both in theatres and in post-screening windows. The later programming windows and especially the exploitation via platforms allow the recovery of high investments incurred for the production and distribution, as the costs to face are almost none. Producer and distributor sign a distribution contract for the assignment of exclusive rights. The licensor will be entitled to receive a fee from the distributor for the assignment of the rights. This remuneration may be paid in the form of a *guaranteed minimum* or an advance. The major national distributors sign Output Agreements with broadcasters for the exploitation of the film in subsequent scheduling windows. Many Italian films pre-sell exploitation rights to platforms during the production phase, as a form of film financing. In these cases, the film will be available exclusively on the platform that has paid for exclusivity rights. Larger American films usually belong to a major studio that either has its own streaming platform or has agreements with Italian operators.

Distribution strategies and release windows

Although the vast majority of Italian films are still primarily produced for cinema theatres, the number of films produced for TV and VOD has increased in recent years. The standard release strategy prioritizes presenting a film on the channel that generates the highest revenue in the shortest time. Consequently, the movie is usually first released in theatres, then made available on different distribution channels. This release procedure adheres to a framework known as “*release windows*”, conceived in order to prevent cannibalization and allow the capitalization on various markets by staggered releases at different times. On the other hand, the direct-to-video distribution refers to the practice of releasing films directly to the home video market, with the benefit of easily reaching specific target and international audiences. A simultaneous (or “day-and-date”) release instead occurs when a movie is made available on multiple channels either simultaneously or with minimal time gaps. It can be particularly beneficial when the studio is vertically integrated, since it leads to combined profits.

Italian regulations demonstrate a conservative tendency in the traditional distribution, aimed at ensuring the support for theatres. The distribution window system is based on community discipline and three models can be identified within the European Union:

1. A regulated system established by law, where the first release window is strictly regulated, while the subsequent windows are subjected to commercial agreements (e.g., France and Bulgaria);
2. A system that conditions the access to public funding on compliance with release windows, thus regulating only films eligible for public financing (eg., Germany, Austria and Italy);
3. A system without specific legal constraints, regulated through agreements between parties, which is present in the majority of EU member states and the United Kingdom.

Non-compliance with the exclusive exploitation window in Italy does not result in direct sanctions but may prevent access to public funding. The Law 220/2016 provides a definition of the term “film” as an audiovisual work primarily intended for public viewing in movie theatres. In 2018, the “Bonisoli Decree” limited the access to public funds to only those works that are primarily released in theatres and are not distributed simultaneously or in close proximity through other channels. With the advent of the Covid-19 pandemic, in 2020 the obligation of public screening in cinemas for admission to the benefits was waived. In 2021 Franceschini’s “windows decree” reinstated the obligation of priority to cinemas, but the duration of the window was set at 30 days instead of 105 (the pre-Covid setting). In 2022 the duration was increased to 90 days but in 2023 the Administrative Court (TAR) of the Lazio Region has revoked the decree, requesting to restore the exclusivity window to 105 days.

After the pandemic both number of moviegoers and film screenings have shown a significant drop, but public funding has incentivized the supply side and led to a recovery in the number of screenings. The distribution companies have generally demonstrated the ability to react to the closure of cinemas through the migration towards non-traditional distribution models, in order to meet the audience’s needs and simultaneously consolidate their revenue levels.

Online distribution could gradually strengthen its business model by creating an increasing substitutability with traditional distribution, even by focusing on internationally acclaimed high-quality content. It is necessary for distributors to make additional efforts to ensure effective and optimal allocation of their product, operating in a more competitive perspective.

UNDERSTANDING THE DETERMINANTS OF CINEMA TICKET PURCHASE INTENTION

Hypotheses assessment

While the theatrical market thrives on the notion of limited content availability, the online market is characterized by an abundance of content. Consequently, it is expected that release strategies will be more tailored to online audiences, placing the responsibility on producers and distributors to make their productions stand out. A higher density of social networks results in a rise in both the number and size of blockbusters, as well as a longer tail of niche offer.

The emergence of social media platforms shifted the focus of the purchase journey on consumer loyalty instead of brand preference. The objective of this study is to analyse which factors, and to what extent, influence the purchase intentions of a cinema-goer. Firstly, the actual awareness of release windows and significance attributed to them will be tested. Subsequently, the digital marketing strategy and the star system will be examined to understand how they enable productions to attain visibility that influences the consumer's choice.

Some authors identify the perceived convergence in quality offered by cinema and streaming services as one of the main causes of the narrowing of release windows observed in recent years. In Italy, there is less flexibility to strategically decide on these terms, as companies are bound by nationally imposed release windows to obtain financing. The debate is still ongoing about whether the Italian industry will lean towards the French model or the British one. The aim of this study is to test if there is actually a consistent relation between the presence of the release windows and their duration and consumers' intention to watch movies in theatres.

H1. *There is not a significant and consistent relation between release windows duration and purchase intention for movie theatre tickets.*

We believe that impatience holds greater significance in the consumer's consideration compared to the duration of the exclusivity window. The hypothesis of this study is based on the idea that when consumers decide to watch a film at the cinema, they do not consider as a discriminating factor the waiting period before being able to watch it through alternative channels, even though it could represent a strategic tool for companies to maximize their profits. In fact, taking Walt Disney films as an example, it can be assumed that consumers are highly aware of the subsequent release on VOD, but it does not hinder the success of the films at the box office.

Film producers and distributors should then consider the Internet's ability to reach the desired target audience. YouTube ads appear to be the most popular paid digital marketing tool for promoting productions in this industry, and social media attract potential consumers through both direct promotion by producers/distributors and sharing by other consumers. Given this new market scenario, engaging users across various platforms is essential.

Regarding markets of experience-goods, previous experience with potential consumption is unavailable. Hence, for the purposes of this study, we believe that knowing at least part of the cast can be interpreted as a sort of guarantee, as the viewer can rely on the previous performances of an actor to assess at least partially the quality of an unseen film. Hollywood is characterized by the so-called "star system", which promotes and enhances celebrities through extensive advertising campaigns, but it also triggers numerous criticisms from those who argue that it contributes to an artistic decay. Allowing the audience to become acquainted with the actor's personality beyond their role ensures the creation of a fan-base that will likely follow them in future projects as well. However, in Italy there is a noticeable absence of actors who can establish fan loyalty, especially among the younger generations.

H2. *Consumers' purchase intentions are more influenced by the digital marketing strategy and the recognisability of the cast than by the exclusive theatre release window.*

H2a. *Consumers' purchase intentions are highest when a consumer has been exposed to a lot of social media content, lower when a consumer has seen only a trailer, and lowest when a consumer has seen only a YouTube ad.*

H2b. *Consumers' purchase intentions are highest if a consumer is a fan of the main actor or at least knows part of the cast, lower when a consumer has seen an interview with cast members, and lowest when a consumer does not know the cast.*

Methods

In order to measure the impact that different distribution strategies have on consumers' actual intention to purchase a movie theatre ticket, a questionnaire was published without any type of restrictions. The survey registered 451 valid responses.

The dependent variable for the purposes of the study is the purchase intention for cinema tickets (PI), while the three independent variables are the duration and awareness of release windows (RW) for H1, digital marketing strategy (DM) for H2a and cast recognisability (SS) for H2b. This structure allows us to observe the impact that these variables have on the behaviour of the

cinema audience. Therefore, four 5-level Likert scales were used, one for each variable. Once the collected data were exported to SPSS, ordinal regression analysis and the Spearman index were applied. For more detail, descriptive statistics were used as well for the individual questions of the Likert scales.

QUANTITATIVE RESEARCH RESULTS

Research-specific questions: statistical analysis

The following tables summarize the answers to the first part of the survey, that let us contextualize the sample within the scope of the sector of interest.

Cinema attendance	n	%
Never	29	6,4
Once a year	177	39,2
Once every two months	139	30,8
Once a month	53	11,8
Twice a month	46	10,2
Every week	7	1,6
Total	451	100,0

Streaming consumption	n	%
Never or almost never	46	10,2
Few times per year	70	15,5
Once or twice a month	100	22,2
Every week	142	31,5
Every day or almost	93	20,6
Total	451	100

The table below summarizes the results of statistical analyses conducted.

Independent variable	Ordinal regression		Spearman's ρ	
	Estimate	Sign.	Correlation coefficient	Sign.
RW	-0.531	<0.001	-0.241	<0.001
DM	-0.057	0.616	-0.057	0.230
SS	0.633	<0.001	0.189	<0.001

Although there is a negative correlation between the dependent variable and RW, it is of modest magnitude, and no particular sensitivity to the duration of release windows was detected. Therefore, we can consider the first hypothesis confirmed. Referring to the second hypothesis of this study, we do not have sufficient evidence to provide an answer regarding the impact of digital marketing, since the result is not statistically significant. For what concerns cast recognisability instead, it has a positive effect on the dependent variable, but the results do not allow a proper comparison with the influence of RW. Moving on to the sub-hypotheses, H2a is only partially confirmed: advertising on YouTube is indeed the least valued promotional medium among the three analysed, but the sample has shown a greater influence from the trailer than from the media presence of content related to the film. The data then allow us to support sub-hypothesis H2b, which suggests that being a fan or at least knowing and appreciating part

of the film's cast represents an incentive, and interviews are considered a positive element, although not decisive, in the decision-making process of the sample.

Main findings

The sample, on average, declared to not consider streaming as a substitute for the movie theatre and to perceive the latter as a more enjoyable and complete experience compared to home viewing. The results of this survey, therefore, show the absence of evidence of substitutability perception, and suggest that the demand side does not seem to be sensitive to the duration of the waiting period preceding availability on streaming. The awareness of a longer exclusivity period could have negative effects on box office revenues, but the sample showed greater sensitivity in statements that explicitly mentioned the hypothetical waiting period, thus increasing participants' awareness and perception. Conversely, the more generic items seem to suggest that in their decision-making process moviegoers place little to no importance on the possibility of subsequently viewing the same production at home and any potential waiting period. The data show us that the presence of a known actor or cast is positively and statistically significantly associated with the decision-making process of the moviegoing audience and can therefore lead to greater visibility for the production. Even though the sample does not appear to value interviews as part of their decision-making process, they still tend to regard them as a good way to get to know the cast. This implies that promotion through interviews that allow the audience to get to know the cast can subsequently lead the public to have a more positive attitude towards future productions in which the actors will be involved. Regarding digital marketing, statistically significant data do not emerge in either the ordinal regression or the Spearman index. Consequently, we are unable to make an adequate comparison.

DISCUSSION, LIMITATIONS AND RECOMMENDATIONS FOR FURTHER RESEARCH

The debate surrounding streaming platforms and release windows

The release window system is considered the primary means to ensure the protection of movie theatres, especially in response to the recent surge in favour of VOD services. However, it is

essential that this happens with the awareness of the need to adjust the regulation of post-cinematic exploitation windows to the changing landscape.

Participants showed a greater response when presented with a specific window, even though they had not typically shown interest in the waiting period. This suggests a need for further research into audience awareness of release window durations. It could be explored how explicitly announcing alternative distribution plans after the cinema release might affect consumer decision-making. Additionally, it's worth investigating whether Italian audiences perceive national and USA film productions differently in terms of alternative distribution likelihood and proximity, especially referring to vertically integrated studios that own streaming platforms. Conversely, there may be more uncertainty surrounding the distribution methods and waiting periods for Italian productions. Lastly, these analysis could reveal whether it's beneficial for film distributors to communicate in advance about non-cinematic releases and their dates when possible. The windowing system, as of today, applies exclusively to Italian cinematic productions, inevitably placing them on a different competitive level compared to foreign ones. Two opposing solutions seem to present themselves to place them on an equal footing: the application to international productions on one hand, and the lifting for national ones on the other. The implementation of the latter would mean leaving it to production and distribution companies to individually assess the relevant factors and make the most appropriate decision for the film, with the awareness that if movie theatres were harmed due to excessive cannibalization risk, it would also negatively affect the potential revenue generated by the film.

Finding the right *modus operandi* through marketing and celebrity culture

American film promotion is undoubtedly broader, more expensive, and competitive, requiring significantly higher promotional budgets than what Italian productions can enjoy. In the USA, promotion often begins months in advance with trailers, advertisements and promotional events. In Italy, due to budget constraints and a different cultural approach, promotion may be less extended and primarily focused on the weeks leading up to the film's release. Subsequent research can enhance the understanding of the impact of an effective digital marketing strategy in the film industry. It is also important to explore how Italian distributors typically allocate their marketing budgets. Creating engaging promotional content, utilizing sponsored ads and fostering online word-of-mouth on social media are crucial components to generate strong

interest and anticipation for a film's release. Notably, Italian film promotion often emphasizes the artistic and cultural aspect, while Hollywood productions tend to rely on spectacular trailers and celebrity endorsements. In fact, "celebrity culture" in the USA plays a significant role, drawing attention to artists and public figures and cultivating a large fan following.

CONCLUSIONS

Considering the limited availability of previous literature on the subject, this study could prove valuable in offering a new perspective on the topic, but above all, it could serve as a starting point for further in-depth research. The questionnaire responses have highlighted a scarce consideration by consumers for distribution windows and their duration. In particular, they seem to suggest that the negative relationship would be more pronounced if there were a higher awareness of the waiting period preceding non-cinematic distribution. Regarding digital marketing, the trailer has emerged as the primary promotional medium, followed by social media content, but the lack of statistical significance in the analysis prevents us from making an overall comparison with the effect of sequential distribution. The data also show that the recognisability of a film's cast can have a positive impact on its success, and the publication of interviews and promotional content focused on the actors can help attract attention to it. However, in this case as well, the values yielded by the analyses are not consistent enough to allow for a general comparison with the consideration of release windows.

The dynamics of this industry are complex and involve multiple parties. Distributors must find the right balance by evaluating the best release and distribution strategies while being constrained by budget availability and national guidelines. The underlying idea of this study is that if a film production can achieve a good level of visibility and hype through adequate distribution and promotion strategies, the possibility of seeing the film through alternative channels will take a back seat in the decision-making process of the audience.

There is a need for greater commitment from all the players to ensure that Italian cinema does not lose its prestige and to avoid an aversion to the evolution of the industry's operating methods.