CRITICAL DETERMINANTS OF SUCCESS
FROM THE FILM INDUSTRY PERSPECTIVE

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Purpose: The goal of this research is to identify factors related to the future success of film production and synthesize the scattered literature of the subject. Another goal is to propose a classification of pre-selected factors of film production’s success.

Design/methodology/approach: This study uses the narrative literature review method. Studies were collected by searching various data bases in July-November 2022: Scopus, ISI Web of Science as well as Google Scholar. Then studies were filtered in two stages based on inclusion and exclusion criteria.

Findings: Starting from Bourdieu’s concept of different forms of capital, we may classify critical determinants of box office success into four main categories: human assets, product features, financial sources and costs, as well as market-related factors.

Research limitations/implications: The results may be somehow limited as only preselected data bases in a specific period and with predefined inclusion and exclusion criteria were used during the process.

Originality/value: The article synthetizes the scattered literature of the subject and proposes a classification of box office success factors thus filling the existing research gap. Our findings are relevant for both film theoreticians and practitioners.

Keywords: film industry; box office performance; literature review.

Category of the paper: literature review; research paper.

1. Introduction

Creative industries are based primarily on people’s ingenuity, talent, and creative activity. In developed countries, the creative sector contributes to social cohesion and generates economic growth through innovation and job creation. It is estimated that it accounts for 7.5% of the European Union (EU) workforce, making it the third, after the construction and food
sector, employer that generates the added value of around EUR 509 billion (European Parliament resolution of 13 December 2016 on a coherent EU policy for cultural and creative industries (2016/2072(INI)), 2016). Part of the creative sector is the audiovisual industry, to which Europe attaches particular importance in its cultural policies and programs. The European audiovisual market is worth around EUR 130 billion. Germany, the UK, and France account for almost half of this market, while the top ten European countries account for 78% of it (Yearbook 2020/2021. Key Trends. Television, Cinema, Video and On-demand Audiovisual Services, 2021). The global audiovisual production market has been changing rapidly in recent years, and film production is competing for viewers with new forms of entertainment, especially on the Internet. Moreover, the film industry has always been amazed by the unpredictability of success and failure. A single movie can be the difference between millions of dollars of profits or losses for a studio, so film producers and scientists have been striving for years to determine the factors of a film’s high box office (Eliashberg, Elberse, Leenders, 2006).

The film’s success is not a one-size-fits-all concept and can be understood differently. On the one hand, it can be considered through the prism of receiving festival awards or enthusiastic reviews from critics and viewers. On the other hand, a film production may be regarded as successful if it earns money. Although some filmmakers are interested in making niche, artistic films that, by definition, will not reach such an audience as blockbusters, we may assume that, generally, films are made for viewers. Moreover, because creators indeed care about the audience, the number of viewers may be one, but not the only, measure of competitiveness in the film market (Orankiewicz, Majer, 2018).

The competitiveness of enterprises in the market may be defined as the ability to compete and gain a competitive advantage (Gorynia, 2002; Skawińska, Zalewski, 2016). The sources of competitive advantage, in turn, may be determined through the Key Success Factors (KSF), also known as the Critical Success Factors (CSF). The concept appeared in the literature as early as the 1970s and concerned enterprises in various fields of industrial activity. According to Bullen and Rockart (1981), the CSF are the few critical areas of activity in which favorable results are necessary to reach the company’s goals. In other words, the CSF concept allows focusing managerial attention on vital organizational issues that could determine the company’s competitive position and development opportunities and thus ensure its overall high performance (Boynton, Zmud, 1984; Gierszewska, Romanowska, 1995).

Our research aims to determine what factors of film production success affect the box office of films. Therefore, based on the narrative literature review, we systematize the existing knowledge of the scattered literature of the subject and identify the determinants of the film’s success. Then, starting from Bourdieu’s concept of different forms of capital, we propose a classification of their sources and common features and thus the findings of our study are relevant and fill the existing research gap.
This paper is divided into five sections. First, after short Introduction, we discuss a research method behind this study (Section 2). Section 3 describes the proposed classification of the film’s success factors and presents main findings, while Section 4 offers discussion and concluding remarks. Finally, Section 5 shows the limitations and possibilities of further research.

2. Methods

This study uses the narrative literature review method (Alamoush, Ballini, Ölçer, 2021). The main goal of this research is to identify factors related to the future success of film production and thus summarize as well as synthetize the scattered literature of the subject. Such an approach enables us to propose our own classification of pre-selected factors of film production’s success into four groups which is added value of this article and fills the existing gap in this regard.

Studies were collected by searching various data bases in July-November 2022: Scopus, ISI Web of Science as well as Google Scholar. The search within titles and keywords employed iteratively the following search of terms: (film OR movie OR motion picture) AND (success) AND (box office) AND (factor OR determinant). We targeted peer-reviewed articles in English and excluded repetitive and low-quality studies. We were mainly interested in articles with qualitative research conducted in different countries. Then studies were filtered in two stages based on inclusion and exclusion criteria. First stage filtering consisted of reading the title and abstract while applying exclusion criteria. Second stage filtering, in turn, included full-text reading while applying both inclusion and exclusion criteria. Accordingly, 23 studies presented in Table 1 were included and further used in our study. Only abridged studies that are relevant to our subject and entailed scientific rigor were included. Consequently, the literature we present concerns mainstream and art films released both in relatively small film markets where Hollywood films are the dominant power (e.g., Italy, Australia, Spain) and, contrarily, in the US, India, or S. Korea, where local films are rather dominant. The Fig. 1 presents the main stages of the research process of our study.
Figure 1. The research stages.
Source: own elaboration.

Table 1.
Factors affecting a film’s success identified and analyzed in previous studies

<table>
<thead>
<tr>
<th>Authors/Year</th>
<th>Identified factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Prag, Casavant, 1994)</td>
<td>advertising, awards, film ratings, genre, marketing expenditures, production cost, sequels, star performers</td>
</tr>
<tr>
<td>(Bagella, Becchetti, 1999)</td>
<td>cast and director <em>ex-ante</em> popularity, movie subsidies, production and distribution companies, specialization genres</td>
</tr>
<tr>
<td>(De Vany, Walls, 1999)</td>
<td>budgets, genres, producers, directors, and actors with marquee value, ratings, screens, sequels</td>
</tr>
<tr>
<td>(Basuroy, Chatterjee, Ravid, 1997)</td>
<td>budget, film reviews, stars</td>
</tr>
<tr>
<td>(Jansen, 2005)</td>
<td>age restrictions, awards, budget, directors, distributors’ size, genre, reviews, stars</td>
</tr>
<tr>
<td>(Gemser, Van Oostrum, Leenders, 2007)</td>
<td>budget and movie advertising, number and size of film reviews, stars, trailers, word of mouth</td>
</tr>
<tr>
<td>(Hennig-Thurau, Houston, Walsh, 2007)</td>
<td>advertising, awards, certification, consumers’ quality perceptions, cultural familiarity, director and star power, early box-office information, genre, number of screens, production budgets, reviews, sequel, timing</td>
</tr>
<tr>
<td>(Simonton, 2009)</td>
<td>adaptations, advertising, genre, major distributor, market competition, marketing expenditures, movie ratings, rewards and reviews, number of screens, production budget, production cost, remake, season of release, sequel, stars, trailers, word of mouth</td>
</tr>
<tr>
<td>(Agnani, Aray, 2010)</td>
<td>awards, subsidies</td>
</tr>
<tr>
<td>(Terry, Butler, De’Armond, 2011)</td>
<td>advertising, budget, distribution, genre, industry awards, number of screens, production costs, rating, release date, reviews, sequel, stars</td>
</tr>
<tr>
<td>(McKenzie, Walls, 2013)</td>
<td>advertising, distribution, genre, opening screens, prequels and sequels, production budgets, rating, reviews, season of release, stars, subsidies</td>
</tr>
<tr>
<td>(Pangarker, Smit, 2013)</td>
<td>Academy award, advertising, award nominations, date of release, film reviews and ratings, genre, major distributor, opening screens, production budget, production cost, sequels, stars, story</td>
</tr>
<tr>
<td>(Teti, 2013)</td>
<td>famous actors and directors, production budget, production cost, reviews, sequel</td>
</tr>
</tbody>
</table>
### Critical determinants of success from…

<table>
<thead>
<tr>
<th>Sources</th>
<th>Determinants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teti, Collins, Sedgwick, 2014</td>
<td>awards nominations, awards received, subsidies</td>
</tr>
<tr>
<td>Gmerek, 2015</td>
<td>advertising expenditure, audience rating, critics rating, genre, market power of the distributor, number of prints, production budget, release date, reputation of the film’s main contributors, sequel, screenplay, word of mouth</td>
</tr>
<tr>
<td>Ding et al., 2017</td>
<td>advertising, number of concurrent movie showings, political views of the moviegoers, pre-release search activities, ratings, reviews, Wikipedia status</td>
</tr>
<tr>
<td>Garcia-del-Barrio, Zarco, 2017</td>
<td>actor’s popularity, advertising, critical reviews, distribution, genre, movie budget, movie content, Oscar awards, prize nominations, remakes, talent concentration, word of mouth</td>
</tr>
<tr>
<td>Meloni, Paolini, Pulina, 2018</td>
<td>awards, critical reviews, genre, subsidies</td>
</tr>
<tr>
<td>Bae, Kim, 2019</td>
<td>advertising, awards, competition, critic reviews, genre, Internet promotion and media activity, movie title, MPAA ratings, number of screens, production country, release date, sequel, star power</td>
</tr>
<tr>
<td>Walls, McKenzie, 2019</td>
<td>budget, genre, opening screens, ratings, sequel, stars</td>
</tr>
<tr>
<td>Hugenholtz, Poort, 2020</td>
<td>awards, budgets, recognition, reputations, territorial licenses, trailers</td>
</tr>
<tr>
<td>Kim, Trimi, Lee, 2021</td>
<td>advertising, director, distributor, genre, film reviews and ratings, number of screening days (number of the audience), producer, promotion, stars, story, target audience, word of mouth</td>
</tr>
<tr>
<td>Peng et al., 2021</td>
<td>date of release, genre, Internet media buzz, movie awards and ratings, remakes, sequels, star power</td>
</tr>
</tbody>
</table>

Source: own elaboration.

### 3. Results

According to Bourdieu (1986), resources held by each unit can be treated as their capital (symbolic capital). Capital can be actively used to achieve goals. Moreover, it can be exchanged, multiplied, and converted into other forms of capital. Symbolic capital determines the chances of success in a given subject of social life (including economics), regardless of whether we consider a human unit or the organization of such units.

Bourdieu distinguishes three components of symbolic capital: economic, social, and cultural. Although his theory of symbolic capital was developed to understand the rules governing the social world and social inequalities, there are some parallels between the types of capitals Bourdieu identified and the capitals that may have an impact on inequalities in the film industry. Economic, social, and cultural capitals provide a source of advantages in the film production market. On the other hand, these advantages can be used to identify the factors influencing the film’s success.

Social capital is the aggregate of the actual or potential resources linked to membership in a group that provides each member with the backing of the collectively owned capital. It is related to formal and informal belonging to professional groups, interpersonal and interinstitutional relations, or networks of horizontal and vertical contacts. Then, cultural capital can exist in the form of cultural goods, ideas, knowledge, skills, and objects with cultural values that people acquire while participating in social life. Competencies and knowledge determine
this form of capital, the world’s perception, and ways of thinking about it, knowledge of communication codes, and specific information important for, e.g., film production. Economic capital, in turn, is at the root of all other types of capital and may be divided into technological and financial. Technological capital may be defined as a total of tangible and intangible components. The tangible component includes the active part of the firm’s tangible fixed assets and consists of, e.g., technologies, technical equipment, and production processes. The intangible component comprises intangible assets related to product manufacturing and production management, such as knowledge, know-how, and organizational capital. Finally, financial capital refers to the ability to finance a project, while internal and external funding sources determine its size.

Based on the previous studies, in this article, we propose to assign film success factors mentioned in the literature and indicated in Table 1 to four exclusive categories: human assets, product futures, financial sources and costs, and market-related factors. The first group refers to the talent and creativity of the people responsible for the film (Peng et al., 2019). Viewers are usually drawn to cinemas by the names of famous actors or directors who become, in a way, a ‘guarantor’ of a good-quality product. The second group of factors focuses on the characteristics of the film (Bae, Kim, 2019). It is associated with all decisions directly related to the form and shape of the final product, like a sequel or the film’s genre. In the group ‘financial sources and costs’, there are factors related to financial flows, both from the cost side and the income side, i.e., the source of financing (Teti, Tomasi, Barchita, 2019). The budget size determines the costs incurred at each stage of film production, from initial script work, through production to post-production and then promotion and distribution. The studio may finance the production and be responsible for it from start to finish, but external financial resources are the most important in Europe. They include public funds (e.g., in the form of subsidies) as well as private funds (investments, debt instruments, and co-production) (Majer, Orankiewicz, Wróblewska, 2019). Finally, the market-related factors relate to these factors that affect the film after the film production ends. In the context of the film’s success, the number of screens (Kim, Trimi, Lee, 2021), the size of the distributor (Bartosiewicz, Orankiewicz, 2020a, 2020b), and received awards and reviews (Filson, Havlicek, 2018) may be listed among the most crucial factors after the production process. The Fig. 2 summarizes described sources and classification of the essential film’s success factors. The Table 2 presents examples of these factors divided in the four groups proposed by us. It should be emphasized that the proposed groups do not constitute a closed set of factors.
Critical determinants of success from…

Figure 1. Sources and classification of the film’s success factors.

Source: own elaboration.

Table 2.
Factors affecting a film’s success categorized in four groups

<table>
<thead>
<tr>
<th>Group</th>
<th>Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human assets</td>
<td>contributors’ reputation, talent concentration and celebrity appeal (e.g., cast and director popularity or star power)</td>
</tr>
<tr>
<td>Product features</td>
<td>age restriction, genre, production country, screenplay, special effects, story (e.g., adaptation, prequel, remake, sequel), trailer</td>
</tr>
<tr>
<td>Financial sources and costs</td>
<td>advertising, co-production, marketing expenditures, movie promotion, production budget, production cost, state subsidies, territorial licenses</td>
</tr>
<tr>
<td>Market related</td>
<td>critical appraisal (e.g., awards, certification, film reviews and ratings, prize nominations, word of mouth), market competition, number of opening screens, release date, size of distributor, tax incentives</td>
</tr>
</tbody>
</table>

Source: own elaboration.

3.1. Human assets

Among ‘human assets’ the most important aspect is the so-called ‘star power’ role. Prag and Casavant (1994) prove that star power is the most significant predictor of a film’s success. Also, Jansen (2005), conducting an empirical analysis of the determinants of German film performance in terms of audience numbers and rates of return, concludes that film performance can be influenced by the skills of people closely involved in business management and the development and execution of film projects. He even defines the coefficient to control for the effects of the ex-ante popularity of actors. If there are superstar effects, the coefficient should be more significant than one. More recently, Peng et al. (2021) also stated that in China the total effect of star power on box office revenues is positive and significant. On the contrary, De Vany and Walls (1999) find that most films with huge gross returns have no stars. They conclude that the audience makes a film a hit, and no amount of star power or marketing hype can change that. At the same time, they propose that one of the ways that star power might
work is by getting a film released on many screens at the opening, thus increasing initial revenue. Also Basuroy, Chatterjee and Ravid (2003) underline that star power and big budgets appear to blunt the impact of negative reviews only and thus may be sensible investments for the film studios. Hennig-Thurau, Houston, and Walsh (2007), in turn, argue that the use of star power is problematic and needs a deeper understanding of its relationship with the box office and profitability. It is in line with the findings of Bagella and Becchetti (1994) who claim that any result in support of the presence of superstardom effects must be considered with care given that it is extremely sensitive to the scale adopted for the quality filter.

3.2. Product features

According to previous research, some people are drawn to such product features as particular genre or a sequel/prequel or remake of the previous production. For example, Prag and Casavant (1994) discover that dramas are typically less successful than other genres once quality is controlled, while sequels tend to be lower-quality films. According to Terry, Butler, and De’Armond (2011), sequels have a positive and statistically significant impact on box office performance while most of the highest-grossing films are derived from the children’s genre. Pangarker and Smit (2013) also confirm that continuing a previous success is one of the key drivers of global box office revenue. At the same time, they claim that the film genre plays a less significant role as regards a film’s success. Moreover, the results obtained by Gmerek (2015) show that the movie type – sequel or adaptation, genre and scope of the movie’s release are closely related to box office, influencing it in a positive way. Garcia-del-Barrio and Zarco (2017), in turn, reveal that violent contents in movies bring forth greater box-office revenues while a more intensive recourse to profanity or sex and nudity implies smaller box-office revenues. More recently, Bae and Kim (2019) showed that in South Korea a movie title that contains information about its genre or storyline has a positive impact on box office revenue for an under-promoted movie while this impact decreases as prerelease promotional activities increase.

3.3. Financial sources and costs

De Vany and Walls (1999) conclude that most films with huge gross returns have tiny budgets, while Prag and Casavant (1994) find that when marketing expenditures are considered, the impact of certain variables on box office earnings vanishes. Furthermore, Teti (2013) shows that significant investment in production can increase the likelihood of a higher box office but is not a guarantee for a positive return on a project. At the same time, McKenzie and Walls (2013) discover that even though Australian films are advertised more heavily and released more widely than non-Australian films, ceteris paribus, they earn less at the box office.
The impact of subsidies, in turn, has been approached many ways, yielding different results. Most studies find that subsidies do not significantly impact the success or failure of a film. For example, Bagella and Becchetti (1999) discover that public subsidies do not influence total admissions, daily revenues, or per-screen daily admissions. Along the same line, Agnani and Aray (2010) do not notice any impact of public subsidies on box office revenues in Spain. They use regional data on movie production and panel data regression, as their data on subsidies are only available for a short period. Also, McKenzie and Walls (2013), in the case of Australia, find that government subsidies have no impact on a film’s financial success at the box office. Similar conclusions about the effects of subsidising film are drawn from research conducted in the Italian market by Teti, Collins, and Sedgwick (2014). Their final data set include only those titles whose essential data—costs, box office takings, and film producer information—is complete and reliable. The authors reveal that the system of direct public support in Italy does not ensure the survival of this sector, which is inherently risky and does not allow for wider theatrical distribution of local productions. Meloni, Paolini and Pulina (2018) also investigated the Italian market. Their findings show that although public funding has an overall negative impact on quantity and quality, there are some differences when considering public subsidies by genre. According to their findings, dramas and thrillers are the genres that should be primarily financed by public agents. Only Jansen (2005) discovers that public subsidies in Germany tend to support producers who have consistently had above-average success in their movie performances.

### 3.4 Market-related factors

Market-related factors such as critical appraisal may also influence box office performance. Prag and Casavant (1994) prove that critics’ ratings and academy awards are positive determinants of movie prediction. However, since their sample includes older G-rated films that have been re-released, the inflation correction biases the coefficient on those films’ ratings. Agnani and Aray (2010) also find a significant positive impact of awards on film production in the study sample, while Gemser, Van Oostrum, and Leenders (2007) note the impact of reviews on the success of the opening weekend and cumulative ticket sales revenue from art films. However, they do not draw similar conclusions concerning the behaviour of mainstream film audiences. Then, Terry, Butler, and De’Armond (2011) discover that adult content movies with an MPAA-restricted rating have lower box office performance. Nevertheless, their research data is collected from different online databases, threatening data incomparability. Pangarker and Smit (2013), in turn, find that box office successful films are productions with one or more Academy nominations with a higher budget, released by a major studio. Then, Ding et al. (2017) have proposed Facebook ‘like’ as an effective social marketing tool before the release of movies. Their empirical results indicate that the pre-release ‘likes’ exert a significantly positive impact on box office performance. Moreover, as the release date approaches, the pre-release ‘like’ impact becomes stronger, suggesting that the latest pre-release ‘likes’ are more effective.
in driving box office performance. Finally, Kim, Trimi and Lee (2021) prove that the film rating affects not only the target audience but also the film’s box office success while to assure the success of a film, the production firm should consider the target audience and its size (film ratings).

4. Discussion

After a narrative literature review, we identified and classified film success’s determinants into four groups: human assets, product features, financial sources and costs, and market-related factors. Among the essential human assets, we listed contributors’ reputation, talent concentration and celebrity appeal (e.g., cast and director popularity or star power). A group of factors related to ‘product features’ focuses on the characteristics of the movie, such as age restrictions, genre, production country, screenplay, special effects, story (e.g., adaptation, prequel, remake, sequel), or trailer. Critical financial sources and costs include advertising, co-production, marketing expenditures, movie promotion, production budget, production cost, state subsidies, or territorial licenses. Finally, market-related factors affect the film after the end of the production process and are often beyond the filmmaker’s control. They include critical appraisal (e.g., awards, certification, film reviews and ratings, prize nominations, word of mouth), market competition, number of opening screens, release date, size of distributor, or even tax incentives.

The identified success factors can be further divided into internal and external. The film producer may influence and control internal factors such as film quality, production method, employment, management process (innovation, entrepreneurship), or structure and size of costs. On the other hand, external factors remain beyond the producer’s control and depend on the company’s environment, the country’s economy, the type of market, or financial processes.

Without a doubt, film quality has a significant impact on its success. However, quality, especially in the case of cultural goods, has many faces and can be assessed differently. The feature of the film is that quality can be assessed only after watching it (Garcia-del-Barrio, Zarco, 2017), i.e. after many crucial decisions are made at the stage of its production and distribution. It is challenging to assess what films will gain viewers’ sympathy in the future and how they will change. Viewers may have expectations and ideas about the likely quality of a film, but these expectations may need to be met or exceeded. Films can be considered an experiential good (Elliott, Simmons, 2008). When deciding to go to the cinema to watch a film, the viewer, of course, has some observable indicators of the film’s features at his disposal. The reputation and achievements of people involved in the production may be a signal or a premise for the presumption of high quality of the film, but they do not guarantee the film’s success. Sometimes, the film is a sequel, wherein experience and reminders from the previous
film will help determine willingness to watch the following one. Also, large production budgets can herald a film’s box office success. However, large budgets provided by different funding sources usually make little difference in film success, though it can significantly reduce the impact of negative reviews. However, it still does not guarantee a film’s popularity in cinemas and its box office success.

It should also be remembered that box office success does not have to be the only goal of making a film. Although, as previously cited studies pointed out, public subsidies do not guarantee increased cinema viewership of a given title, they may contribute to creating a valuable, niche cinema with educational value. In this dimension, quality has a different meaning. Audiovisual art can play an essential role in shaping societies, emphasizing their cultural diversity, and referring to the traditions of individual countries and regions. Therefore, they should be treated as cultural goods reflecting the identity of EU countries and regions.

In summary, research on film success factors is intended to support producers and investors in making decisions in an industry widely considered risky (De Vany, Walls, 1999; Eliashberg, Elberse, Leenders, 2006; Teti, Tomasi, Barchitta, 2019). It should be emphasized, however, that the research results so far do not provide a straightforward recipe for cinema success. It is related to the uniqueness of each new film work. Existing research only outlines the areas to consider when producing a film. Although, as William Goldman said, ‘nobody knows anything’, an empirical analysis of the factors that determine a film’s success can provide helpful insight into the factors that may influence a film’s performance in the theatre.

5. Limitations and further research

This research aimed to identify the film’s success determinants and classify their sources and commonalities. Further research could examine the differences in the success factors for individual film markets. In such a way, we could answer an exciting and fundamental research question about what market features make certain success factors vital for each market. Moreover, further empirical research could investigate the relationship between the success factors listed in our study and the box office performance in the Polish market. Our research has its limitations, too. The study uses the narrative literature review method. Thus, the results may be somehow limited as only preselected data bases in a specific period and with predefined inclusion and exclusion criteria were used during the process.
Acknowledgements

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References


