

What metrics really mean, a question of causality and construction in leveraging social media audiences into business results: Cases from the UK film industry

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Summary:

Digital distribution and sustained audience engagement potentially offer filmmakers new business models for responding to decreasing revenues from DVD and TV rights. Key to campaigns that aim at enrolling audiences, mitigating demand uncertainty and improving revenues, is the management of digital media metrics. This process crucially involves the interpretation of figures where a causal gap exists between some digital activity and a market transaction. This paper charts the conceptual framing methods and calculations of value necessary to manipulating and utilising the audience in a new way. The invisible aspects and mediating role of contemporary creative industries audiences is presented through empirical case study evidence from two UK feature films. Practitioners' understanding of digital engagement metrics is shown to be a social construction involving the agency of material artefacts as powerful elements of networks that include both market entities and audiences.

Keywords: Film Business; Social Media; Market Device; Valuation; Digital Engagement

Introduction

The affordances of digital technology for audience engagement and more direct, or dis-intermediated distribution, prompt a reappraisal of the role of audiences in the film industry. Through digital tools, most significantly through social media, audiences are made material. Audiences are interacted with, engaged, marketed to, and financially exploited often visible all their social network connections, but they are also aggregated, manipulated and exert an agency that is much less visible and plays out off-screen. Audiences, in the form of digital

engagement metrics play mediating, coordinative and valorising roles in film financing, marketing, distribution and consumption. In order to more fully understand the impact of digital technologies on creative industries' business models, the complex, technical and evaluative back-end constructions involved in emerging film practices are explicated. The case study data spans stages of transmedia financing, international sales deal negotiation, to day-to-day social media marketing during theatrical release.

Through analysis using theoretical tools drawn from studies of market devices (Muniesa et al 2007) and valuation studies (Helgesson and Muniesa 2013) I show how digital metrics are co-constitutive of business activity. Audiences are shown to attain new powers of agency when considered amongst networks of market actors and materials, as part of processes of construction that enrol other participants key to successful market making. Sharing of digital data and assets through online communities and the management of such online communities are crucial to the operation of new business models that seek to capitalise on audience demand in new ways e.g. direct distribution of film or related products. Such management practices rely on constructed relationships mediated by digital measures. Metrics are imbued with meaning throughout the construction of the market for a particular film. Often there are no causal links between certain sets of figures e.g. social media interactions and revenue. However, through the active arrangement of figures in evaluative frameworks, contract negotiations and deal terms, anticipated relationships are assembled so as they become instantiated.

Digital Disruption to the Film Business

Increased competition for consumer time and revenues, along with the impacts of digital piracy, have led to vastly reduced revenues in the UK film industry. Between 2002 and 2012, accounting for inflation, film revenues from physical video rental and retail fell by £908m, in the same period VOD revenues rose only £164m (BFI 2013). Film production companies, traditionally financially marginal operations (Franklin and Kelly 2009), have responded to increasing environmental challenges by leveraging digital technology to alter established modes of operation. New business models predicated on re-organising market activity for producers' revenue stream diversification have digital audience engagement at their core. Process innovations in production and distribution (Brandellero and Kloosternman 2010) are interrelated, digital tools are used for both for product marketing and as a distribution mechanism by companies which have not previously operated in business sectors with direct audience contact. Whereas traditionally the extreme uncertainty and high sunk costs of the film business have been addressed via the segmentation of responsibility, risk and reward across a specialised Film Value Chain (Finney 2010), digital technologies enable these barriers to be broken.

The FVC sequence of film development, financing, production, sales, distribution and exhibition towards final consumption has motivated companies to develop specialised strategies for the active management of consumer demand uncertainty (Dempster 2006; Miller and Shamsie 1999). For instance production companies do not bear the financial cost of

making the film but sell on future revenue generating rights to the intellectual property in part to distributors who market the film to the general public. Digital tools such as social media mean some barriers to distribution activity can be circumvented and film production companies have begun to adopt new work practices to improve their financial position in the face of digital disruption. Producers are disseminating internet reliant content: digital assets, games, websites through social media, blogs and streaming services to promote and deliver their films or an extended media product. Where traditional FVC partners are circumvented, a greater proportion of revenues are accruable to the production company. Whether disintermediation is pursued or not, the increased and direct digital audience engagement is conceived as increasing consumer demand and thereby reducing uncertainty.

The adoption of digital audience engagement tools into film production companies' operations is a complex and contested process. The integration of new technologies must be complemented with a re-organised set of relationships that can conflict with previous arrangements based on existing norms of the FVC. This is a contributing reason to the trend for piloting of hybrid models of digital film marketing and distribution rather than wholesale and permanent changes. By examining two feature film cases, one of theatrical self-distribution and one of transmedia financing and sales, important characteristics of the role of digitally mediated social networks are unpacked. Insights from scholarship on market devices and valuation studies (Beunza and Stark 2004) and methods of Social Network Analysis (Barash and Golder 2010) draw out the coordinative work of engagement metrics. The accumulation, rearrangement and agenced (Muniesa et al 2007) presentation of engagement metrics allows hybrid forms of multi-party evaluation and transmission of information across boundaries to coalesce and new market constructs for the film industry to come into being. Conceptualisations of analytics information built on their networked, material and evaluative characteristics are crucial to the existence of new business models in the independent film industry.

Related Literature

This paper addresses issues pertinent to studies of the management of uncertainty in the creative industries (Dempster 2006); digital innovation and the film industry (Hennig-Thurau et al 2012); valuation processes (Kjellberg et al 2013) and scholarship on market devices (Muniesa 2008). In exploring what metrics really mean in the disrupted film business context I am informed by what insights scholars studying the film business have looked for in explanatory metrics (Hadida 2009) and the intransigence of the fundamental dynamics of the industry when considered from the perspective of any particular variable's (genre, star) impact on box office performance (De Vany 2004). By recognising that the research and industry literature has focussed on causal explanation for financial returns (Eliashberg et al 2006), the context for the measurement of digital engagement becomes clear. There is an agenda to make revenue predictions based on hypothesised relationships with any quantifiable characteristic about a film product.

Moving from what has previously been looked for, to why it was looked at, leads to the study of uncertainty, sometimes conflated with risk, in the creative industries (Dempster 2008). The problem of managing inherent uncertainty (Caves 2000) has stimulated research into how practitioners can best operate in such environments (Eliashberg et al 2008). Positivistic approaches have provided useful snapshots of relationships of interest to practitioners, but not provided holistic viewpoints from which direct industry impact has been driven. Therefore a reformulated approach to understanding of the role of metrics is motivated both by the exponential increase in the volume of quantitative data extant in the field, but also the need to account for how they are used by managers dealing with uncertainty. Investigations into how large social media dataset can predict revenues (Asur and Huberman 2010; Hennig-Thurau et al 2012) have little impact for producers who must make decisions far before such relationships become apparent. Therefore rather than conceiving of the metrics involved in new digitally enabled business models as solidified in causal chains or proven correlations, it is also important to show how their meaning is constructed from the ground up and also drives market action. In order to get a full and clear understanding of the role of audiences, the 'back-end' usage of their data in performing economic interactions needs to be examined and explained, for which the theoretical tools of valuation studies and market devices scholarship are most appropriate.

The approach of market studies (Muniesa et al 2007) privileges attention to similar characteristics highlighted as important to investigations of creative industries. For example: social networks co-producing rationality (Hartley 2012) (e.g. acceptable action under uncertainty) in a complex, interactive process of management (Dempster 2006). Rather than establishing a constant objective reality of what particular digital metrics mean for business results in a probabilistic sense, the literature on market devices would urge consideration of the broader, messy phenomena that are assembled, and assemble themselves in marketization of a product and thereby give meaning to the materials in question.

The socio-technical elements that are assembled and configured in processes of marketization include the component agencies of assembled human (individual and group) and material elements, which constitute "the conditions of possibility of economic action" (Hardie and Mackenzie, 2007, 75). Digital engagement metrics such as social media data or downloads consist of intertwined and interdependent social, technical and material elements. Their anticipation, aggregation and evaluation form crucial parts of coordinative market infrastructure, including mobilising interpersonal and inter-firm agreement over value in complex and changing valuation situations (Kjellberg, Mallard et al, 2013). Therefore exploring how these particular valuing arrangements are created and maintained is of great interest. Indeed, what counts in the film industry had been picked out as a telling illustration of the importance of valuation in society (Helgesson and Muniesa, 2013). This research charts processes of entanglement and disentanglement, which enmesh different actors within market networks and are predicated on calculative evaluations of digital metrics. This approach is stimulated by the question: what do digital metrics really mean in practice? This is

an investigation, which on reflection requires an understanding of how their role in calculative evaluation gives the metrics meaning and that this is a social construction.

Methods

The research methodology is drawn from the demands of the theoretical literature, that the material configurations and work of all individuals, companies, artefacts and their interdependent networks be examined. Stemming from this imperative a case study approach has been developed, using multiple data sources to provide a contextually embedded account of the phenomena (Yin 1994). In this way a contribution can be made to the wider literature on digital metrics' role in the creative industries, particularly film to complement the environmental picture painted by quantitative interrogation of large data sets. Two longitudinal cases were selected in order to chart the role of social media and related digital metrics and how they impact business results for film production companies. New business models enabled by digital technologies temporally extend the period production companies work on a single film project and also their audience contact. These audience relationships are mediated by digital metrics and form key elements of business activities. Therefore multiple data types: aggregated figures and their real time interpretation and uses were recorded and analysed.

Two case study films and their production companies were selected. The selection process was purposive (Saunders et al 2009), the sample was chosen for theoretical representation as opposed to attempting to generate a statistically representative sample (Eisenhardt 1989). The film budget levels, sources of financing, production company size and types of partner companies involved in the films' releases (cinemas, PR companies, sales agents etc.) were typical for the UK independent film industry (Dul and Hak, 2008). The two cases selected are complementary in that they together provide great chronological coverage over the film life cycle. One charts a film and its extension through diversified digital products with the aim of increased consumer demand and revenue generation. The second case focuses on the direct theatrical distribution of a feature by the production company, a dis-intermediated approach facilitated by the company's ability to use digital engagement tools. This selection of cases thereby gives a wide variety of empirical evidence for what social media metrics do, their agency, effects and the way they are understood. The case participant films, production companies and all quoted agents have been made anonymous.

Data collection methods are oriented around participant observation. Through sustained systematic observation, gathering data through casual conversations and extensive dependence on documents, I was able to understand and describe what goes on, who or what is involved, when, where, how and why things happen (Jorgensen 1989). The approach is noted as "exceptional for studying processes, relationships among people and events, the organisation of people and events" (Jorgensen 1989, 12) and this is especially useful in the case in a glamorous and highly exclusive industry like the film business. To comprehend the reality of those within the changing world of the independent film industry, the phenomenon of study is observed through day-to-day activities. As deals are negotiated, emails fly back and

forth, and opinions and calculations are altered, the world of the producer and the particular film is composed. Participant observation and the collection and interrogation of key documents that provide material focus to conversations and action, enable a dependable and plausible account of the field.

The types of data that are collected to examine the role of digital metrics in causing or constructing particular market results are the building materials of the creative industry being studied. These include: digital analytics reports, revenue accounts, meeting notes, investment memoranda, strategic plans, business plans, budgets, Powerpoint presentations and status reports, reports by consultants, PR companies, digital agencies. The documents themselves, the discussions around them, email conversations disseminating them, all figure as key evidence for the research. Field notes were made on the documents, interviews, meetings, and observations of day-to-day practice. The interview process conformed to Yin's (1981:12) view of open-ended non-structured interviews: "conversations can occur over the course of an entire day, with a researcher and one or more participants accompanying one another to view or participate in different events" this "can reveal how case study participants construct reality and think about situations." During the observation period April 2010- January 2013, notes were continually made and iteratively analysed alongside the collected data to assemble a picture of what meaning was being derived from social media metrics in these new business model contexts. In total 149 individual documents or meeting records were collated, analysed and cross-referenced for telling linkages.

By continuously collecting various data types over the life cycle of each film project, a wealth of information from different perspectives was compiled for assessment. The method for analysing this data follows a thematic structuring process. Firstly chronological accounts of the case films were compiled. Next initial themes were developed from a study of related literature. These themes included notions of: framing, boundary spanning, technical evaluation, role of material artefacts, and the digital nature of materials. These broad themes enabled a first round of open level coding, drawn from which a new set of finer, emergent themes were constructed (Dempster 2008; Fitzgerald and Dopson 2009; Miles and Huberman 1994). The more specific themes were also contextualised with thought to the research question and theoretical and empirical literature (Eisenhardt 1989; Van Maanen 1988). Building on this reflection process the extrapolated categories were used to segment and separate data points via re-coding (Ahrens and Chapman 2006). This process eventually results in the production via reassembly of a further set of texts interpreting the case having enfolded theoretical insights from the literature (Akrich et al 2002; Jorgensen 1989).

Data analysis involved the classification of multiple segments of the seventy two documents relating to the film *Eastern Suburbs* and seventy seven documents for the film *The Peak*. These documents included print outs of website analytics, marketing reports, notes on conversations with producers, which were manually annotated and rearranged to develop a refined picture of what is going on in the cases. In some instances further interrogation has been applied to the raw quantitative data collected. For example the Twitter account for *The Peak* was subjected to basic, exploratory Social Network Analysis (SNA) to explore the efficacy

of the social media marketing campaign through the structural characteristics of the digitally engaged audience. Adopting best practices (Barash and Golder 2010) the film's Twitter community, the user network, was inspected for important cluster groupings. The results, obtained through the process of participant observation were then analysed using the same thematic categorisation. The paper proceeds through an introduction of the cases, summarising the chronological events, before structuring the analysis by thematic features, which are then discussed in following section.

Introduction to the Cases

Randwick Films: *Eastern Suburbs*

On the basis of a successful festival premiere, a locally set narrative, established connections with cinema executives and a relatively low budget to recoup, the production company decided to self-distribute the feature dramatic comedy *Eastern Suburbs*. Whilst these contributory factors were significant influences on the company's decision, the most important enabler of the new business model were the affordances of digital audience engagement tools. Without the ability to market the film directly to potential cinemagoers at low cost with great efficiency, the producers would not have conceived of pursuing a dis-intermediated distribution strategy and its attendant new revenue streams. Nor would they have been able to leverage investment to support their release.

In their application for funding the company outlined the two classical, complementary digital strategies: a dis-intermediated delivery model to secure new more direct revenues, supported by a digitally enabled audience engagement model. "We will employ... a digital marketing consultant and take advantage of social networking sites... We'll complement this with our blog and website featuring interviews, podcasts, stills, trailers"¹. After obtaining investment a £20,000 marketing and distribution budget was prepared and executed. A team including a PR company, digital agency, digital consultant as well as the production company staff was assembled. Multiple digital assets were produced: a Youtube series of seventeen videos, Facebook and Twitter campaigns and web and email marketing tools were combined as part of the audience engagement strategy. The team met weekly to set goals for performance and review results. The film received sixty seven screenings and was evaluated to have performed well relative to comparable independent films with which it was in competition. Such films included an Oscar nominated American title, a British independent BAFTA winning drama and a Venice Golden Lion nominated film from France.

The team continually reviewed their audience engagement strategy and results during the preceding and during the period of release, mapping figures such as social media metrics against Box Office performance. In the following months they conducted a review of the data and their processes of interpretation. Examining this material provides great insight into how audience engagement processes are constructed, the role of metrics in mediating the film

release process, and the notions of causation and agency at play. This informs how audiences themselves should be thought about in studying the creative industries.

Date of Activity	Market Action
2010	
April 2010	Producer self-distribution discussions with investors begin.
June 2010	Film receives festival premiere.
September 2010	Producer, as proto-distributor negotiates with cinema chains.
September 2010	Successful application for investment from national public funding body to support producer based on digital audience engagement capacities.
September 2010	Digital engagement strategy planning, budgeting, creation of digital assets.
October 2010	Social media campaign: Facebook, Twitter, YouTube, website.
October 2010	Cinema release, strategy meetings, PR campaign.
October 2010	Further theatrical dates added
November 2010	Negotiations with DVD and VOD streaming service.
2011	
January 2011	Production company analysis of digital engagement campaign

Kendall Pictures: *The Peak*

The second instalment of a horror genre franchise trilogy, *The Peak* was released by a traditional distributor but as part of a producer-led transmedia product also including a smartphone game, digital comic, website and social media campaign. The company stated: “Transmedia is now as key to our business as producing our films are”² and the role of social media metrics are crucial in this process. The business aims of the producer’s digital audience engagement were to increase total consumer demand for the film and also generate new income from diversified revenue streams such as in-app purchases. The project began relatively early in the life cycle of the film with the production company able to leverage investment from public funders and an international sales agent for digital engagement prior to the physical production of the film. The financing, marketing and distribution campaign for the film including budgeting and execution had social media metrics as key benchmarks. These played key roles in management and evaluation of the overarching film project, not just the audience engagement campaign.

A Facebook, Twitter and website presence during the production of the film was designed to engage audiences with the key filmmaking talent. Competitions, behind the scenes footage, community building discussions and draft artwork formed part of the content strategy aimed at attracting and maintaining interest over a sustained period. Due to uncertainty over type and timing of release, but the motivation to develop an ongoing

community for further sequels the campaign had a long lead in time, was continuous yet did not have a detailed strategy to build to a launch. Ultimately the film had a festival premiere then multiplatform release without cinemas in the UK. Revenues from the smartphone game continued post-release and the social media campaign was maintained through the next stage of the franchise's life cycle.

Date of Activity	Market Action
2010	
April 2010	KP apply to Power to the Pixel Lab to develop digital plans for the film
June 2010	KP develop and circulate key pitch documents, website wireframes (plans), and begin work on website and social media for <i>The Peak</i> with the film being prepared to shoot in October 2011.
July 2010	Discussions with public funder to invest in <i>The Peak</i> digital engagement, employment of digital community manager, Twitter launch, transmedia budgeting and planning. Negotiations with sales agent over IP splits of proposed digital media.
September 2010	A digital consultancy part owned by the films' sales agent is hired to develop in <i>The Peak</i> digital engagement, further development of project: social media, graphic novel, games, web video proposed.
October 2010	KP receive pitch for <i>The Peak</i> website from an international digital consultancy,
November 2010 – February 2011	Development, final financing and preproduction of <i>The Peak</i> , creation of video assets for digital engagement, continued web and social media presence.
2011	
January 2011	Submission of an investment proposal to a public funder, a set of creative pitch slides jointly created by KP and the digital agency. Links metrics to financial decision-making.
February 2011	Collection Account Management Agreement for <i>The Peak</i> budgeted £1.4m drawn up for execution: contract for revenue splits for film agreed.
February 2011	Submission of "The Peak digital investment proposal" and official forms requesting investment to the public funder, a word document outlining the intended digital engagement action by KP and the digital agency. The leveraging of private investment from sales agent , use of social media metrics for

	evaluation and diversification of revenue streams is highlighted.
February 2011	Submission of Proposal 1.1 to public funder to develop full digital transmedia studio capacity.
March / April 2011	Investment by a public digital innovation fund confirmed for digital engagement activity for <i>The Peak</i> , broader studio funding unsuccessful.
Summer 2011	Physical production <i>The Peak</i>
July 2011	Contracting for public fund investment detailing digital metrics monitoring criteria.
September – November 2011	KP negotiate revenue model for digital exploitation with partners, develop financing for their next film based on what metrics and engagement have brought value to <i>The Peak</i> . Sales agents presell distribution rights for 4 territories to cover a significant percentage of next film budget. Social Network Analysis of Twitter marketing
December 2011	Screening of <i>The Peak</i> for distributors, monthly data report for digital engagement activity by digital agency to public funder, includes key digital metrics, new website launched.
2012	
January 2012	KP their digital strategy though theatrical release date not yet confirmed by distributor. Comic book commissioned, rival iphone and android game providers assessed.
February-May 2012	Financing and international presales of next film
June- July 2012	Physical production of next film
August 2012	Mobile App launched: UK, US, Thailand, China, Russia, Australia, Germany,
August 2012	Festival Premiere for <i>The Peak</i>
August 2012	DVD release
October 2012	VOD launch USA
November 2012	Mobile game sales reported to public funder
November 2012	Mobile game updated on iTunes
December 2012	Digital analysis of digital engagement campaign
2013	
January 2013	KP analysis of digital engagement campaign

Case Analyses

In both of the cases studied there are common themes that hold despite comparative differences in digital audience engagement strategy (direct distribution v. product diversification) and project timeframe (immediate opportunity v. years of lead time). The

assumption that social media metrics positively correlate with and cause consumer demand and thus revenue is continually evidenced. However, this is a belief not grounded in probabilistic measures appropriate to the specific context each company is working in, rather an ephemeral “known” that is both taken for granted but also constructed by opinions, actions and materials. Metrics obtain meaning, in part, because of the way they are framed, and used in market attachments. These meanings and uses of the networked nature of digital social networks become visible when the technical materials of industry transaction and operation are put into play. Examining these closed, internal black box processes, not just referring to the front-end analytics highlights and the results perceived as related, but making the constructed links between the two variables visible is important.

Eastern Suburbs

Assembling Meaning

The production company intended to maximise its revenues from distributing the film directly in cinemas and online by using social networks and extra-filmic assets: podcasts, blogs, a website and trailers to foster a deeper audience connection. By virtue of the digital connection this audience is more traceable and therefore the marketing strategy can be more agile and targeted. Self-distribution was a noted company development goal: “*The project is the next evolutionary step*”³ for the company. In early project meetings with a public funder, the company principal outlined the company’s desire to have a hit (generate significant revenues) and take on more responsibility for the performance of their films.

The collation and analysis of digital metrics was valued by all project partners and measures included: trailer views; YouTube channel views; Facebook fans (now likes); Facebook monthly active users; website landing page visits; Twitter followers; short code clicks; Facebook page visits per week. Facebook “likes” were used as benchmarks for measuring returns and planning future activity. The motivation for undertaking action in such a way is based on a preconceived construct shared across boundaries between industry companies. The investor agreed that digital technology means the production company “*has the opportunity to build direct relationships with exhibitors and audiences*”⁴ The digital agency for the film’s release explains the marketing logic behind their social media plan:

By being introduced to the film in this non-intrusive way (social media) users are likely to make their own decision to click on the link. As result there is a greater chance that they respond positively to the messages on the Facebook page, i.e. buy tickets, watch trailer. This method contributes to the viral affect as, users who “discover” something via social media are more likely to share and indulge in positive word of mouth, because it re-enforces their own beliefs”.⁵

The agency is explicitly aware that consumer demand as expressed through positive word of mouth is seen as a success indicator for the campaign. Importantly though, despite this digital measurement of expressions of demand, and the perceived relationship between this activity and ticket sales, a reliable causal relationship was not proposed as objectively valid by the digital agency. There is no commitment to a statistical correlation between their social media efforts and economic performance. Instead, a recognised understanding between companies and individuals about the significance and expected relationship between these variables is at play, expressed in sentiment and in material organisation of data.

Visibility of Networks

The films' PR company highlights the importance of "using 'Social Interaction' and exciting content to drive unique hits to the trailer and facebook page".⁶ The digital strategist further breaks down the concept and its execution: "the online part of the plan revolves around directing as much traffic as possible to a Facebook landing page I've built here. Once we have them as fans on Facebook, we'll be able to communicate with them compellingly on a daily basis. I've set up monitoring systems to track traffic to the offer as well as ticket sales themselves and we'll be having the first weekly reporting meeting on Tuesday."⁷ Once these premises for the functioning of digital audience engagement tools and their metrics in commercial application for purpose are established they become used as a discussion tool to manage the marketing and distribution campaign. The collection and arrangement of information from different sources is coordinated to form a material assemblage which itself exhibits agency. The table below is an example of aggregated metrics, digital objects which due to the opinions and aims of the project team, have value bestowed upon them and drive operations.

Weekly digital statistics spreadsheet

Date	Trailer views	Facebook fans	Landing page visits	Twitter Followers
1 Oct 2010	253	99	0	148
5 Oct 2010	667	159	21	158
12 Oct 2010	2608	325	58	187
19 Oct 2010	3062	425	35	193
26 Oct 2010	4521	586	24	202
2 Nov 2010	5981	762	85	212
9 Nov 2010	6626	846	60	226
16 Nov 2010	7220	912	100	238
23 Nov 2010	7413	944	33	278

Many digital media marketing metrics are public pieces of information for example Facebook 'Likes' or Youtube video views. These material aspects of the product achieve value in the

eyes of producer, by virtue of the fact they provide a connective attachment to myriad potential consumers. The internal consideration of these figures and subsequent responses means they can be considered as performative utterances (Callon 2006), helping to actualise the worlds they describe. The argument being that a belief in the importance and effects of social media privileges action in relation to these metrics, they then change, and evaluation of results is made on that basis. The statistics were referred to as demanding attention for a certain set of actions e.g. promotion of particular screenings.

The Twitter campaign aimed to engage potential consumers and drive them to watch the trailer via Facebook or YouTube so they would be exposed to the content and motivated to buy tickets. Digital metrics track this pathway as well as other digital marketing channels e.g. email. Box Office ticket sales were contextualised with peer comparison figures. *Eastern Suburbs'* success in this instance was measured against other films in the same cinema during the same period. Modifications to marketing activity were made in response to the data captured: "we're tracking all the important metrics on a weekly basis. These are then discussed in detail during a weekly team meeting on Skype where actions for the next week are agreed... objectives were set, target audiences identified and content strategy defined."⁸ For example, for cinema locations where ticket sales were below the desired uptake, prize partners were sought and new competitions launched to engage local consumers. These deals and attractions were communicated via new videos shared via social media. The results of these initiatives were reviewed, in conjunction with offline media and ticket sales and the next iteration of the campaign was released.

Randwick Films and partners' activities were adjusted according to the relative performance of different communication channels and tasks for the next week were determined: "because the campaign is being run using agile techniques, the outcome of every weekly meeting is a set of new actions based on the evidence of data we have gathered."⁹ The PR company mapped trailer views, to click-throughs to particular screening events. The expectation of a high positive correlation between digital audience engagement and Box Office, even in the case of poor performance remained an unquestioned construction during the project. This is despite an absence of any recognised proven link between the digital marketing metrics and economic performance. The campaign's strategist noted: "the overall levels of engagement with the campaign were not as high as might have been hoped...most of the issues with this campaign can be easily fixed if the planning process begins early enough. One of the issues with using Facebook is that it takes time to build the levels of engagement that a campaign like this requires."¹⁰ Reflection on the campaign led to further consideration and proposed investigation into how digital metrics are related to the management of marketing and distribution budgets and campaigns: "What are the key metrics which must be measured to be able to report effectively on the delivery of businesses objectives? What mechanisms are in place to ensure that iterative re-adjustment can be made to the campaign on the basis of (weekly) reporting data?"¹¹ However it is important to point out the retention of the notion that digital metrics potential, if used correctly, is unquestioned. A feedback loop of reassurance is thus created between project partners in the network, which leads to a

similar configuration of calculative frameworks in future, but without any particular insights being added from the quantitative data.

Subjective Interpretation

The intent of the team to determine the most important metrics and mechanisms to leverage digital audiences into business results is clear. It is also telling that there are no hard facts, general or specific core economic principles that are held on to. An opportunity to secure a much wider release for the film arose, but required further investment in digital marketing to be achieved. The company was unable, in 2010, to know with confidence that there was a threshold critical mass of attention that would generate a specific revenue level so they could recoup an investment. The role of online marketing featured heavily from the opening of negotiations: “Is it an opportunity for a digital release and for us to buy DVD’s for rental? Do you have any online marketing budgets you could allocate to us to help us raise the profile of the film to our audience?”¹² The proposals from a Home Entertainment Distributor highlighted the value of digital assets and online engagement in the home entertainment release that could be linked to a cinematic marketing plan: “A Home Entertainment Distributor supported release would provide a phased approach to the release including the following activity Clips / extended trailers; Potential for online chat room to be part of the Q&A; micro site built and hosted by Home Entertainment Distributor; Including links to facebook like and comments; Promoting cinema showings and links to buy tickets (for a proposed wider cinema release).”¹³ The Home Entertainment Distributor proposal challenged Randwick Films to think about how much such digital metrics are worth to them in relation to their potential to drive revenues at the cinema across the UK and in home entertainment.

Randwick Films lacked an established calculative framework to evaluate how spending thousands on further digital engagement could be relied upon to drive revenues. The company was also unfamiliar with how the other actor in this market network calculated value. Unlike dealings with distributors and sales agents in which producers have a good understanding of the evaluative frameworks being used on the opposite side of negotiations, Randwick Films did not have that reference. Thus a potential evaluative framework was abandoned and a market reality involving Home Entertainment Distributor as a partner failed to come into being.

The Peak

Assembling Meaning

Digital engagement with *The Peak*’s putative audience was composed of providing rich media assets via social media. This action was not just aimed at selling digital products to generate a new and quicker revenue stream. The building of a large, digitally networked audience base was also designed to attract interest for the film itself. This interest would be developed early in the film life cycle and developed continually: “through web video content, fans and

audience members with develop a relationship with them (the talent), and also feel engaged with the filmmaking process” this “would allow instant and continual market feedback into the development process, thereby increasing the value of the intellectual property.” “This means that marketing spans the whole breadth of the film making process....It can be extremely cost effective, a way to prove to investors there is an audience for the films.”¹⁴ From their interpretation of digital engagement, it is clear Kendall Pictures see multiple business benefits stemming from the approach. Kendall Pictures see trans-media product as being “strengthened by developing a direct relationship between Kendall Pictures and its audience through a strategic social media campaign”. The aim “to create and nurture a loyal and growing audience across multiple platforms ... a comprehensive and interactive global engagement opportunity for fans, across multiple channels of distribution and revenue”¹⁵ is viewed as a crucial.

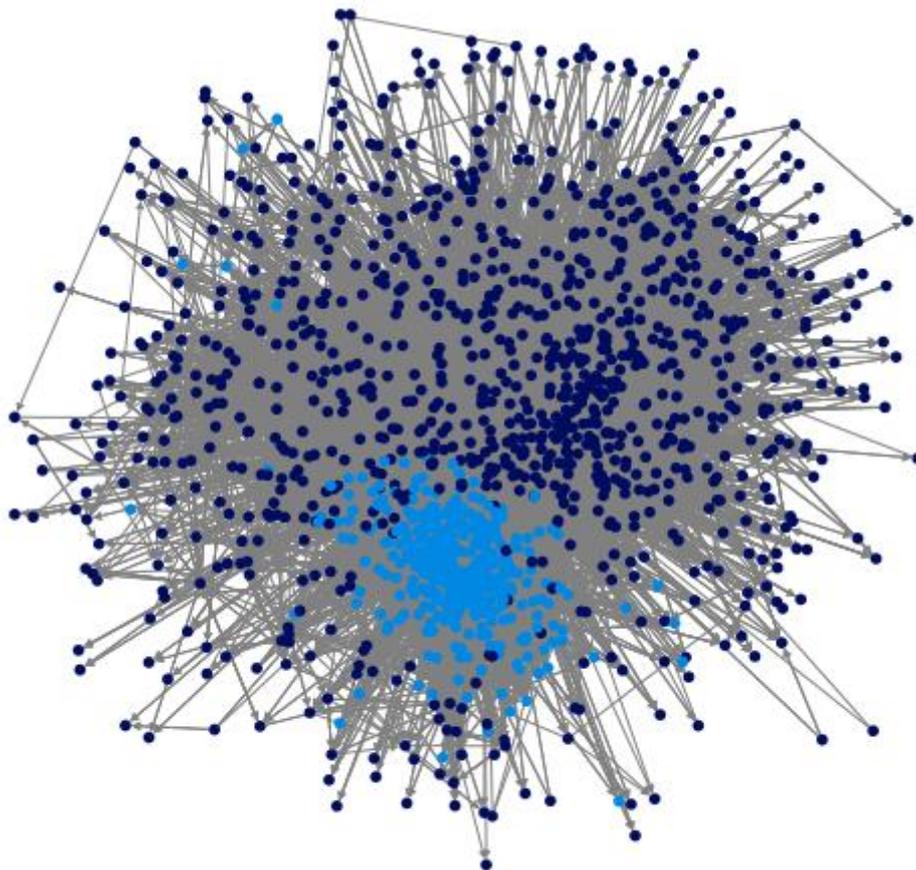
The company recognises the opportunity not just for themselves as producer/distributors to take revenue positions in digital rights exploitation, but also that if these channels are successful then Kendall Pictures and its film become more attractive in comparison in the marketplace for film finance: “Investors in these films and projects will spread risk by recouping across the film slate and the digital assets that arise from them.”¹⁶ This logic connects Kendall Pictures’ belief in the technical process of digital audience engagement to an agenda of network building in order to put this world into action. The company must convince other market actors into making economic transactions in order to operationalize the way they see their audience functioning. This process is part of how digital metrics as market devices are produced and reproduced - by their enactment in social relationships, which go on to become established arrangements following certain rules. The producers use their constructed values of digital metrics to obtain ‘buy-in’ from other market partners, whose cooperation they require for the value of digital metrics to come into existence. Investment from a public funder was made on the basis that digital engagement “will help build an audience for the film project before its release and has the potential to create additional revenue streams for the producer.”¹⁷ Private investors, an international sales agent specifically linked marketing budget management to metric benchmarks: “commit to building the following digital products, assuming the fan base goes over 10k in the first 3 months @ £80k: mobile application £60k....products can be built if/when the fan base grows and there is evidence of a financial return on the first phase of product”¹⁸ A structured, calculative framework associating fanbase figures with financial risk was conceived to analyse ongoing performance.

Visibility of Networks

The direct connection between the producer as lead market participant and potential final consumers of copies of the film, as mediated by digital technology occurs over an extended period of time and involves thousands of individuals exerting agency as a network. Individual consumer actions such as the holding of a social media account and every single Twitter ‘follow’ or Facebook ‘like’ become transformed and translated by their digital existence into

an aggregated composite form through a co-produced socio-technical device. Digital components of the film as a market object are necessary to allow for market attachment. It is now expected that the 'deliverable' elements of a film as a legal entity will be complemented with a social media presence and some digital media assets e.g. clips and or interviews. Networks of digital connections linking people (potential audience members) to creative content (videos, games, pictures, films) are aggregated and themselves stimulate further decisions and actions within multiple networks including both humans and materials. This tool then drives business operational decisions. From such micro-level considerations producers build up evaluations in conjunction with other market participant partners to influence the overall economic performance of the film and the production of future films.

Social Network Analysis Cluster Graph of the Twitter followers of *The Peak*



Created with NodeXL (<http://nodexl.codeplex.com>)

The Kendall Pictures project team continually evaluated the results produced through digital engagement: social media metrics and purchases of related goods. A few taps on a keypad provides direct lines of access to thousands of individuals whose movements in aggregate or even their anticipated movements have significant bearing on market activity. The hundreds and thousands of sustained digital relationship that link creator to audience, as summarised in tables of metrics, function as direct contacts. Due to the particular affordances of digital data,

its presentation on a computer and unbroken chain of connection between producer and audience member, digital metrics are often conceived not as proxies for demand, but as the audience itself. Insight into the complex nature of digitally engaged audiences and how producers understand them is provided by the visual arrangements of data that comprise the project's management work. The social network graph below created through NodeXL visualises the film's official Twitter account followers (dots) and their relationships (lines). The different coloured clusters represent communities more interested in different topics, the light blue dots are Twitter users specifically interested in the topic of the film, the dark blue are interested in film and media more broadly. The production company's access to information that individualises the digital audience and foregrounds its dynamism and heterogeneity means that social media metrics take on complex and nuanced meaning when enacted in live projects. Tables of aggregated totals are maintained over time, but they are far more than lists of inputs and outputs.

Subjective Interpretation

Digital metrics are deemed signals of consumer awareness and 'want-to-see' (Hennig-Thurau et al 2012), which indicate the same information in relation to consumer demand uncertainty no matter what stage in the life of the product they are made. There is little depth of explanation or timeliness contained in the 'like' function when collated. During pre-production or on the day before release, these digital metrics are taken to encapsulate the same fundamental information, the people that clicked are more likely than others to want to purchase a film ticket or copy. The higher the figures, relative to other films in the market place, the better the performance is deemed to be. However, the strength of belief in the reliability of digital metrics and the ways in which they provide value change between actors and over the films' life cycle. For instance at a very early stage in the life of a film, digital metrics indicate awareness by an 'active' consumer, because advertising and marketing have not begun at this stage, the indicator of consumer awareness is deemed by the production company to show evidence of consumers that will influence others by sharing digital content and thereby further increase demand. Thus the higher the digital metrics figures, the earlier, the greater value producers believe they demonstrate. The metrics below summarise the digital audience engagement performance for the film.

At certain strategic points during the film's life, investment decisions were made on the basis of social media metrics. The digital engagement results were insufficient to unlock "The sales agent's second contribution of £X,000 towards digital product development" as it was "conditional on building 25,000 fan base from phase 1 marketing and audience building platforms."¹⁹ Due to the fact that "the community was not built big enough to reach a critical mass"²⁰ further financial outlay was deemed imprudent. The values of both companies: the sales agent and Kendall Pictures, were aligned through the meaning they had jointly bestowed upon these quantitative measures. The relationship constructed between digital engagement and economic return is upheld through reference to future possibilities and

other market actors: “there is a clear sense (from conversations) that if the community and digital assets can be leveraged properly it can definitely add value to the marketing of the film.”²¹ New configurations of digital products to enroll audiences and bring consumers into the creative realm of the film remain held in high esteem: “The project is not over yet – the community / website and digital products are all contributing to bridging the gap between The Peak and its sequel (summer 2013 launch).”²² The producer’s understanding of digital tools was expressed and continually reaffirmed in meetings, investment documents and operational action.

Final digital statistics spreadsheet:

Website

- ~5,000 visits
- ~13,500 page views
- No merchandise sales yet

Social Media:

- Facebook:
 - 2,269 likes (new page)
 - 5,226 (old page)
- Twitter, 673 followers
- YouTube, 5,394 video views

Game

- ~85,000 downloads
- ~£ [REDACTED] gross revenue



The producers’ construction of the logic of their activity remained true to their initial project pitch slides: “nurturing the community....collect data....an engagement machine connected to social media.”²³ To some degree the role digital metrics do play becomes performative in economic processes, in the sense that Muniesa (et al 2007) includes marketing and management practices (Roscoe and Chillas 2013) in the economic. Thus, the metrics make the world in the way they describe it, intervening and organising demand and action according to the expectations they generate. Yet the notion of digital metrics as part of a machine or instrument, intimates an automation that demonstrates a contradiction with the empirical

evidence of the case. The role of social media audiences as mediated by related metrics is reliant on both on the digital capacities of the material tools but also, importantly the human agency to put them into practice. For this reason the meaning of the metrics tends to obtain an instrumental or inter-subjective rationality, as opposed to a rich, objective transferable meaning. I.E. Specific actions are appropriate only to those involved, leading to the collective performance or construction of worlds reliant on digital metrics as a calculative device.

Discussion and Conclusion

Considering what metrics really mean in the context of the UK film industry is a research question prompted by the immediate prominence of social media data in film marketing, in creative industries practitioner discussions and in the related academic scholarship of multiple disciplines. The overt visibility of Facebook 'likes' and Twitter "followers" but also various views, downloads and shares has often led to a focus on the content being shared (Jenkins et al 2013) and empirically testing the presumed causal relationship between certain digital interactions and business results i.e. revenue (Mestyan et al 2013; Hennig Thureau et al 2012). However, there is a further perspective that can contribute to a fuller understanding of such metrics, and the role of audiences in digitally mediated creative industries fields, and that is the perspective which addresses how the necessary relationships and economic actions for any particular piece of creative content are constructed. To understand what social media metrics mean in context, it is crucial to open the black boxes of calculation that occur throughout the life cycle of a film project. By beginning at the back end of analytics programs and analysing the assembly process in detail, rather than conceptualising summary engagement figures in isolation or solely in relation to their assumed correlation with demand and box office performance, is vital to a well-rounded understanding of audiences.

Evidence from industry practitioners' daily operations shows that the assumed causal link between digital audience engagement and business results (as mediated by social media metrics) is implicitly and explicitly accepted. However, this non-specific objective correlation is actually just the first building block in a much more complex construction. From charting and examining the process of change as film companies adopt digitally enabled models of marketing and distribution, it is possible to uncover the connective elements of market compositions which give meaning to the metrics and structure to the market configurations for each film. When digital audiences become aggregated as quantitative data, rearranged and framed in different formats for planning and evaluation calculations, the networked nature of social media that imbues such figures with value can be lost. Therefore it is important to highlight the unseen connections of hundreds or thousands of potential audience members by depicting the agency they have in motivating action, as connectivity gives them power. The human and material elements that compose the metrics in action must be kept in together mind when discussing them, because there is no separation or divorce between the numbers and the people (potential ticket purchasers) in their constructive work. The digital relationships cannot solely be understood as objective facts of

reality, but must be continually remade and put into action if they are to have meaning and impact.

In both cases studied innovative audience development and exploitation tools and models were utilised and social media metrics played key roles in how engagement strategies were to be executed and evaluated. A lack of control over the market environment by the producers was apparent for both films. In one case the quick emergence of a direct distribution opportunity impacted the project. In another the lack of knowledge about type and timing of release had an effect. Both situations meant that pursuit of predetermined metrics for success, however understood as proven on an industry wide average basis, were hard to achieve, and indeed from the standpoint of understanding films as unique products (De Vany 2004) illogical, However the belief linking digital audience engagement with consumer demand and therefore revenue continued to be rationalised and upheld.

A potentially useful understanding of what social media metrics mean in this creative industries subsector can be developed by recognising that the audience, connective digital materials and the delivery of creative work are co-dependent and co-constitutive. This is not in the sense of user interactivity co-creating content but in a more basic, practical sense that conceptualises films as multifaceted constructs that carry with them the many company and consumer associations they develop, alongside their audio-visual characteristics and many further features. These interdependent elements exhibit agency and have manifest impacts on the way the projects are configured and their ultimate results. Social media metrics immediately leap to the fore as the most prominent expression of audience demand, but the meaning of such metrics is greatly dependent on the inferences drawn by practitioners. These are continually performed, complex assemblages. Further work could take a mixed methods and multidisciplinary approach to map contextually appropriate positivistic data analyses against the extant socially constructed calculative process and tease out epistemological and ontological inconsistencies. Such insights could lead to reformulations of the digitally mediated practitioner-audience relationship more self-aware of the conditionality of what 'counts' in this space.

Biographical note:

Michael Franklin is a doctoral researcher at the Institute for Capitalising on Creativity (ICC), University of St Andrews and is affiliated with Creative Scotland: the national leader for Scotland's arts, screen and creative industries. Michael's doctoral research focuses on market devices for managing uncertainty in the UK independent film business. Michael previously worked on a two-year research grant on the digital marketing and distribution of feature films and associated business models (funded by the ESRC and TSB). Michael is also a consultant for film businesses and companies in other creative industries, clients include: Distrify.com; The Skinny; Sigma Films; AmbITion Scotland; and Scottish Documentary Institute. **Contact:** mcbf@st-andrews.ac.uk.

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Notes:

¹ Production Company Investment Proposal 9.9.10

- ² Pixel Lab Interim Report July 2010
- ³ Production Company Investment Proposal 9.9.10
- ⁴ Investment Proposal Review 10/9/10
- ⁵ Digital Expert 27.11.10
- ⁶ PR company note: 6/1 1/10
- ⁷ Digital Consultant: 4/10/10
- ⁸ Digital Consultant 21/10/2011
- ⁹ Digital Consultant 21/10/2011
- ¹⁰ Digital Consultant 20/10/10
- ¹¹ Review Report 23/11/10
- ¹² Producer Email 21/10/10 21
- ¹³ Producer Email 21/10/10 21
- ¹⁴ Kendall Pictures Film Investment Proposal 1.1 February 2011
- ¹⁵ Kendall Pictures Film Investment Proposal 1.1 February 2011
- ¹⁶ Kendall Pictures Film Investment Proposal 1.1 February 2011
- ¹⁷ Assessment of Kendall Pictures Proposal 8.3.11
- ¹⁸ The Peak digital proposal January 2011
- ¹⁹ Assessment of Kendall Pictures Digital Innovation Application 8.3.11
- ²⁰ The Peak Digital Analysis November 2012
- ²¹ The Peak Digital Analysis v121212
- ²² The Peak Digital Analysis v121212
- ²³ The Peak pitch pdf 2010