

Doctoral thesis

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Marius Øfsti

Norway After Netflix

Local Distributor Strategies
in a Global Movie Market

NTNU
Norwegian University of Science and Technology
Thesis for the Degree of
Philosophiae Doctor
Faculty of Humanities
Department of Art and Media Studies



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Science and Technology

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Abstract

When Netflix came to Norway in 2012, the service ushered in a new era of digital film distribution. The Norwegian film industry lost millions of home entertainment revenue almost overnight and for local distributors the emergence of a global and digital American film industry posed an existential threat. Using quantitative and qualitative methods this thesis examines how Norwegian film distributors adapted their strategies and their function when film dissemination became digital and global.

The thesis *Norway After Netflix* presents a new theoretical framework, the cultural industries functions, and employs this framework to show how the small Norwegian film industry was affected by global changes in the way movies are being distributed. The thesis finds that the digitalisation of the film industry not only led to reduced revenue for Norwegian distributors. The digitalisation also brought a shift in needs and priorities for the American film industry that threatened the very function of the traditional Norwegian film distributor.

Using quantitative and qualitative methods the thesis examines the strategies of Norwegian film distributors after 2008 and identifies key patterns and positions among Norwegian distributors as well as analysing recent shifts. The thesis finds that in response to this loss of not only revenue, but also a potential loss of function, Norwegian distributors began relying more on local titles. While foreign titles remained a far more predictable source of income, they became increasingly difficult to acquire cinematic rights to and they were less valuable in home entertainment markets. SF Studios and Nordisk Film, the "local majors" also increased their level of vertical integration by acquiring production companies. However, this also contributes to a widening gap of "circulation power" between the "high-resource" and "low-resource" distribution companies in Norway, as the smaller companies lose access to both movies and markets.

Sammendrag

Da Netflix kom til Norge i 2012 begynte en ny æra i digital film distribusjon. Nærmest over natta tapte den norske filmbransjen titalls millioner i inntekter fra hjemmemarkedet, og for de lokale distributørene viste framveksten av en global og digital amerikansk filmbransje seg som en eksistensiell trussel. Ved hjelp av kvantitative og kvalitative metoder undersøker denne avhandlingen hvordan norske film distributører tilpasset sine strategier og sin funksjon da spredningen av film ble digital og global.

Denne avhandlingen presenterer et nytt teoretisk rammeverk, «cultural industries functions» (kulturindustrienes funksjoner), og benytter dette for å vise hvordan den lille norske filmbransjen ble påvirket av de globale endringene i hvordan film ble spredt. Avhandlingen finner at digitaliseringen av filmbransjen ikke bare førte til et tap av inntekt for norske film distributører. Digitaliseringen brakte også med seg endringer i den amerikanske filmbransjens behov og prioriteringer, som kom til å true de norske film distributørenes grunnleggende funksjon.

Ved hjelp av kvantitative og kvalitative metoder avdekker avhandlingen sentrale handlingsmønstre og posisjoner blant norske distributører, og analyserer den senere tidens endringer. Avhandlingen finner at som svar på dette tapet av både inntekt og potensiell funksjon ble norske film distributører mer avhengige av norske filmer. Selv om utenlandske filmer stadig er en tryggere og mer forutsigbar inntektskilde, har disse blitt stadig vanskeligere å få rettigheter til samtidig som de har mistet verdi i hjemmemarkedet. SF Studios og Nordisk Film Distribusjon, de største distributørene innen norsk film, økte også graden av vertikal integrasjon gjennom oppkjøp av produksjonsselskap. Dette bidrar imidlertid til større forskjeller mellom de norske distributørene der de mindre mister tilgangen til både film og markeder.

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Introduction: The Netflix effect

Netflix changed Norway. It was not only the first successful subscription-based video-on-demand (SVOD)¹ service in the country, it was the service that made Norwegians, almost overnight, embrace digital delivery of film and television. Even if Netflix is gone by the time you read this, its impact on the Norwegian film industry will still be felt.

When Netflix was introduced in Norway in November 2012 it was not the first SVOD service in the country. Swedish broadcasting company Modern Times Group was the first to launch a SVOD service in Scandinavia. Viasat-on-demand, later Viaplay, was launched in 2007 (McDonald 2014). Yet Norwegian broadcasters were experimenting with web-based services as early as 2000, sometimes in collaboration with broad-band companies looking to deliver movies and television to their customers.

The first transactional-video-on-demand (TVOD)² services were also launched around this time, in the early 2000s (Høier 2009). When iTunes began offering movies and shows for electronic sell-through (EST)³ in Norway in 2011, the infrastructure for digital home entertainment⁴ was in place.

Before Netflix, no SVOD or TVOD service had major impact on the Norwegian film industry. In 2012, DVD sales remained high, even if they had fallen slightly

¹ In this thesis I use SVOD when talking specifically about streaming services that charge a subscription for access to film and TV shows.

² TVOD is an industry term that refers to the practice of selling limited access, typically 24 or 48 hours, to a specific film or TV episode. In this thesis it is used interchangeably with "rental".

³ EST is an industry term that refers to the practice of selling unlimited access to a specific film or TV episode. Although referred to as a sale, in most cases it is really a rental period without a specified end. EST purchases might therefore become unavailable. In this thesis it is nevertheless used interchangeably with "sales".

⁴ In the film industry, "home entertainment" refers to all forms of sales, rental, subscriptions, broadcast, etc. that take place in the home as opposed to in cinemas. This thesis uses the same definition of "home entertainment", and unless further specified it does not include other forms of entertainment consumed at home.

from the high-water mark of 2009. There was an incipient EST/TVOD market, but it was growing slowly and was nowhere near the size of the physical markets (Gaustad et al. 2018).

The Netflix effect, however, was immediately apparent, and DVD rentals were the canary in the coal mine; within a year, 80% of the market was gone (Gaustad et al. 2018). Four months after Netflix launched, almost every remaining Norwegian video store had closed down too (Staude 2013, Øfsti 2019). DVD sales did not fall as precipitously. Still, between 2011 and 2013 almost half of the market disappeared (Gaustad et al. 2018). Netflix, on the other hand, was making a mint. By 2013 the service reached 20% of the population, climbing to 43% in 2016 and a staggering 66% in 2021 (Gaustad et al. 2018, Schiro 2021). Still, the Netflix effect is arguably even more profound than these numbers suggest.

In the years since 2012, not only did Netflix grow, so did the other SVOD services. Existing services Viaplay and TV2 Sumo⁵ reached 10% and 15% of the population in 2014, compared to 4% and 2% in 2011. HBO Nordic⁶ launched in Norway in 2012, and after a slow start over the first two years, the service reached 8% of Norwegian households in 2015. In 2015 Norwegians spent NOK 1.6B on SVOD services, equalling what they spent on cinematic releases and all other forms of home entertainment combined. 2015 also saw EST/TVOD revenue double across the industry and poised to overtake revenue from physical home entertainment. Within three years of Netflix' launch, the SVOD market had gone from a NOK 96M market to a NOK 1.6B market, and the TVOD/EST market had risen from NOK 80M to NOK 310M. But the physical video market had crumbled – from NOK 1.1B to NOK 348M (Gaustad et al. 2018).

Netflix was not only a major success and influence in terms of market reach. It was also the “killer app” for digital film and television dissemination. When Netflix

⁵ Now TV2 Play

⁶ Now replaced by HBO MAX

arrived, Norwegians figured out how to use their set-top boxes and game consoles to rent and buy movies; they figured out how to connect their computers to their televisions; they considered buying smart TVs; and soon their DVD players were collecting dust.

The aims of this thesis

Ten years ago, when the film industry became “fully” digitalised, I and many others were optimistic about the possibilities in leaving physical copies of movies behind. We thought the digital marketplace, and digital cinemas, could lower the barriers to entry for smaller productions and to movies from smaller nations.

Five years ago, when I wrote the first outline of this thesis, that optimism had been eclipsed by a growing worry that not only had the cinema market become more difficult for Norwegian movies, they had little income and even less prominence in the home entertainment market. Digitalisation had not lowered the barriers to entry for smaller movies or movies from smaller countries – it had opened the floodgates for giant entertainment corporations, which could now more easily extend their reach into all corners of the world.

The aim of this thesis is twofold. On an empirical level, I seek to understand the challenges the Norwegian film industry continues to face at a critical juncture. On a theoretical level, I seek to develop frameworks that can further the understanding of the cultural industries in the streaming age, particularly in smaller countries.

The industry challenges

Netflix and digitalisation of film distribution have posed several significant challenges to the Norwegian film industry. The first was the massive loss of revenue that followed the collapse of the DVD market. The collapse of the physical home entertainment market also led to audiences turning away from local brick-and-mortar retailers to rent and buy movies and shows from digital platforms that were, more often than not, global services with American headquarters. On these

platforms, the Norwegian market share was lower than in cinematic and physical home entertainment markets. Central voices in the Norwegian film industry expressed fears that the new home entertainment markets threatened the local film industry (Øfsti 2014a).

Initially, Netflix and other SVOD services offered little to the Norwegian industry. Netflix bought the rights of a total of 41 Norwegian movies on launch and co-produced *Lillyhammer* (Skodvin & Bjørnstad 2012-2014) with state broadcaster NRK and Rubicon. However, most of the Norwegian film and television industry saw little or no income from the streamer.

The next few years saw little change. The DVD market continued to fall, and while the TVOD and EST markets grew they could not replace the lost income. The number of Norwegian movies on Netflix even fell when the initial four-year deals lapsed and in 2016 only six Norwegian titles were available on the service (NFI 2016).

In 2019, this began to change. Both HBO Nordic and Netflix commissioned and financed the original series *Beforeigners* (Lien 2019-2022) and *Hjem til jul* (*Home for Christmas*, Andersen, Shaheen & Sørensen, 2019-2020)⁷. Netflix followed with an original movie, *Kadaver* (*Cadaver*, Herdal 2020) a year later. By 2022 SVOD-services were emerging as a viable way to finance Norwegian movies.

While investments such as these undoubtedly bring much-needed revenue to Norwegian producers, they have also upended the structure of the Norwegian film industry. Traditionally producers have been relatively influential in the Norwegian industry where their projects' ability to attract public funding has been as important as their ability to attract audiences. When producing for commercial streaming services, they are for the first time since the 1960s not no longer relying on public

⁷ Norwegian titles are primarily used for all titles, with English titles, when available, in parentheses when first mentioned.

funding (Iversen 2016). However, when the SVOD services foot the bill alone, they also get the final say.

All of these challenges have directly impacted local film distributors. With heavy losses in DVD revenue they have had to find strategies to extract as much as possible from the digital home entertainment markets quickly. Moreover, they risk being completely side-lined when producers deal with streamers directly. Studying their strategies will therefore offer valuable insights into how the Norwegian film industry is changing.

The knowledge gap

This thesis addresses two knowledge gaps. First, there is very little research on Norwegian film distributors and, particularly, on their function within the Norwegian film industry. In fact, only one peer-reviewed article specifically on the history of Norwegian film distributors exists (Bakøy and Øfsti 2021). In addition, the distributor organisation has published two books on the history of the Norwegian film distributors (Haddal and Hoenvoll 2015, Disen 1997), and there are also several book chapters on the topic by industry insiders (Arthaus 2002, Norsk filmklubbforbund 2018). But neither of these discuss the function of distributors within the Norwegian film industry at any length. This thesis is therefore the most comprehensive examination of Norwegian film distributors to date.

The second gap is a theoretical gap. While there exists a body of theory on both distribution and on cultural industry strategies, none of the existing work can easily be applied to a small country like Norway and only some of it applies to digital markets. This thesis produces new knowledge in the form of a new theoretical framework, the cultural industries functions, and by applying a combination of existing cultural industry theory and strategy theory to a small nation industry.

The research question

While the questions I ask could also have been applied to the broader cultural industries, in response to processes that change how we produce and consume books, music, movies and television, this thesis is fundamentally about film and film distributors.

Most studies on Netflix frame the service and its competitors as an evolution of television (Lobato 2019, Plothe and Buck 2020, Lotz 2017, Afilipoaie, Iordache, and Raats 2021, Jenner 2018, Wayne 2018, Barker and Wiatrowski 2017, Curtin, Holt, and Sanson 2014). The rise of SVOD services came hot on the heels of “the third golden age of television” (Lavik 2014) and the (well-deserved) scholarly attention that brought. But even if television usurped films’ role as “Culture-Conquering Pastime” (Raftery 2016), film still matters.

Film is still a different art form than television. To paraphrase Siegfried Kracauer, film is uniquely suited to reveal “the big and the small” ([1960]1997). Some stories need the big screen because they are spectacular, attack ships on fire off the shoulder of Orion. They engulf their audiences in sound and vision. They draw upon the audiences to create big moments of being here and now. Other stories need the big screen because they are intimate, like tears in the rain. They invite their audiences to study every detail and listen for every sound. They draw upon their audiences to share small moments of communal experience.

Film has still a different economic model than television. Some movie budgets are far too high for television and can only be sustained by global audiences showing up and paying premium ticket prices. Other budget movie budgets are far too low for television. Television needs sustained and predictable delivery and that pushes even the cheapest production budgets beyond the reach of the truly independent. Films can still be made on shoe-string budgets and travel festival circuits and special screenings.

In the foreword to Douglas Gomery's *Shared Pleasure* (1992), David Bordwell writes: "Film studies, though often thought to be a maverick discipline, remains curiously respectful of the boundaries separating the social sciences from the humanities." (1992, ix). Gomery himself writes in the introduction that "[i]n *Shared Pleasures* I seek to take up the challenge of David Bordwell: 'Most people who study film don't recognise the centrality of money'" (1992, xvii). This thesis is also about "the centrality of money". It argues that the role Norwegian movies play, and can play, in society is not purely a question of the unique talents of the creators, but is also dependent on economic context (Allen and Gomery 1985, 132).

I'm also very aware that while I certainly look across the boundaries of the humanities, I am neither an economist nor a sociologist and I aim to be respectful of those disciplines. My work has roots in film studies and film history, and the analytical tools I draw on are mainly from culture industries scholarship.

Film distributors sit between those who make movies and those who sell access to them; they are the ones most directly impacted by the recent changes described above, and their strategic choices offer a unique window into the challenges the Norwegian film industry faces. The main research question is therefore:

- *How have Norwegian film distributors adapted their strategies and their function after the digitalisation of the film industry?*

In addition to the main research question, three additional questions are asked. The first two give context to the main question, while the third highlights the current industry concern about the availability of Norwegian movies.

- *How was the Norwegian film industry affected by the emergence of a digital home entertainment market?*
- *What have been the strategies of the Norwegian film distributors since 2008?*

⁸ Scott Heller, "Once-Theoretical Scholarship on Film Is Broadened to Include History of Movie-Industry Practices," *The Chronicle of Higher Education*, 21 March 1990, p A6.

- *How does shifts in the circulation power of local distributors⁹ affect the availability of Norwegian movies?*

Part 1 presents the theoretical and methodological underpinnings of this thesis, as well as give a brief presentation of the recent history of the Norwegian film industry. It consists of three chapters: Chapter 1: Theory, Chapter 2: Ethics & Methods and Chapter 3: How the Norwegian Film Industry Works.

Part 1 of this thesis also aims to answer the first of the secondary research questions: *How was the Norwegian film industry affected by the emergence of a digital home entertainment market?* In order to answer this question I developed the the cultural industries functions. This framework enabled not only better analysis of the changes digitalisation brought to the cultural industries, but also how these changes affect the cultural industries of small countries specifically.

Part 2 of this thesis uses Mintzberg's "Five P's For Strategy" (1987a) to analyse empirical examinations of the strategies of Norwegian distributors. The aim of part two is to answer the questions; *What have the strategies of the Norwegian film distributors been since 2008? And How do the strategies of Norwegian film distributors affect the availability of Norwegian movies?* Part 2 consists of two chapters: Chapter 4: Strategies as patterns and positions: Norwegian distributor strategies after 2008 and Chapter 5: Strategies as plan and perspective: Case studies of Norwegian films released in 2019.

Chapter 4 is based on quantitative data and observations of digital home entertainment platform, and examines the strategies of Norwegian distributors in the period after 2008. Chapter 5 presents two case studies built expert interviews. The first case study examines the strategies of the two major local distributors, SF Studios and Nordisk Film Distribusjon. The second examines the release of the award-winning *Barn (Beware of Children, Haugerud 2019)*.

⁹ This thesis uses "local distributor" to describe distributors that release local movies and "Norwegian distributor" to describe all distributors that release movies in Norwegian cinemas. Further discussion in Introduction Part 2.

Part 1: Theory, Methods, and Background

Introduction Part 1

Work on this thesis began against the backdrop of an emerging crisis. Writing for trade magazine *Rushprint* I had interviewed several industry insiders who feared that the new digital home entertainment market was not sustainable, and that despite strong showings for local titles in cinemas, all was not well in Norway (Øfsti 2014b, 2014a, 2015a, 2015b, 2016).

While I approached this work with a sense of urgency and a wish to engage with “real” issues, it quickly became apparent that in order to answer the questions I wanted to pose - I also had to spend time developing and adapting theory.

The first issue I faced was that very little of existing theory could be easily applied to a small country like Norway. While traditions such as cultural industries studies, political economy approaches and media industry studies offered much, most contributions implied larger markets that could exist without public support.

The second issue I faced was the question of “distribution”. Studies of film and television distribution have increased recently, and with that a healthy discussion on the nature of “distribution” in general and “film distribution” in particular. However, the question about what “distributors” actually do, remains.

Finally, there was also the question of “availability”. While the lack of Norwegian movies in the new digital platforms caused worry, it was also unclear how availability should be understood in platforms with limited screen space and unlimited storage.

In chapter 1 I examine these questions as well present and discuss other relevant theoretical contributions. The chapter draws on the sociology tradition of cultural industries studies and strategy theory originated from business schools to

enable the analysis of the strategies of Norwegian distributors in part 2. Chapter 2 presents the methods employed in this study.

Chapter 3 is a both short primer on the Norwegian film industry for unfamiliar readers, as well as an analysis of how the Norwegian film industry was impacted by digitalization.

Chapter 1: Theory

Everybody needs cultural expression that they can relate to. Everybody needs to hear stories that relate to the places they relate to, people they relate to, struggles they relate to and joys they relate to. Often we can relate strongly to stories told by people in very different parts of the world; sometimes we need stories told by people closer to us.

Film, television, and computer industries in small countries and among small language groups have always relied on some form of government support in order to exist. However, to have any role in the public sphere, films not only have to exist. They must be seen and discussed.

According to Jostein Gripsrud (2000), cultural expressions are an intrinsic part of the public sphere and therefore an essential part of democracy. They imbue us with an understanding of ourselves, they introduce emotion into the public sphere, and they can directly influence public debate and policy, for better or worse.

This view of cultural expression, as something intrinsically more, and more valuable, than simply the industries in which it is generated is found at policy level not only in Norway, but also throughout the EU. The cultural industries are for this reason often administered and funded by ministries of culture, rather than ministries of industry.

This is nowhere more apparent than in the film, television, and computer games industries – the most “industrial” of the cultural industries due to their high production costs and reliance on large audiences to remain economically viable. These qualities also tend to make them the most global of the cultural industries, as only global audiences are big enough to support the most expensive productions.

A Norwegian film industry that serves the Norwegian public sphere well needs to be sufficiently popular while also telling stories that are in some measure different from those from Hollywood. It must also make room for stories that are original, marginal, or otherwise push at the boundaries of the public sphere.

In the last few decades the Norwegian film industry has made incredible progress in almost every measurable category. It is more economically robust than ever before, it tells stories that are more popular with home audiences than ever before, it tells stories that receive better critical acclaim than ever before, and it is more diverse than ever before.

Still, the concomitant rise of global platforms in home markets raises questions about how and whether these stories can reach audiences. To research the strategies local film distributors pursue therefore examines not only the viability of the industry, but also the impacts the Norwegian film industry has (or doesn't have) on the public sphere.

In his book *The Cultural Industries*, David Hesmondhalgh (2019a) traces the cultural industries approach to Horkheimer and Adorno's polemic "The Culture Industry" ([1947] 1991) and to the more measured response to this work by Bernard Miège and other French sociologists in the 1970s and 1980s (Hesmondhalgh 2019a, 29).

Miège rejects Horkheimer and Adorno's use of the singular *culture industry*, arguing that multiple *cultural industries* remain heterogeneous. He does, however, embrace their concept of the cultural commodity (1989 p. 10–11).

(...) the crucial point is that the emergence of the cultural commodity in the field of production and consumption, which certain writers have described as the "commoditization of culture", is due to the rapid development of reproducible products for private purchase (Miège 1989, 21)

In Horkheimer and Adorno's view, the cultural commodity loses its cultural value and becomes just another product to be bought and sold according to capitalist logics. However, cultural products are not commodities in a strictly economic sense, where a commodity is a product generic to the point of cost being the only distinguishing factor, and Miège addresses the paradox of the cultural commodity's

needing to be both completely unique and an endlessly reproducible industrial product.

“The imprint of the artist must remain visible to the user: the product, even if it is reproduced in thousands of copies, must retain the traces of the work of the artist who conceived it.” (Miège 1989, 26)

To Hesmondhalgh, the cultural industries must be understood as “fundamentally ambivalent”. They are both a part of the “extreme inequalities and injustices (...) apparent in contemporary capitalist societies” (2019a, 10) and “[o]ften (not just occasionally) they tend to orientate their audiences towards ways of thinking that do not coincide with the interest of capitalists” (2019a, 8).

Hesmondhalgh and Miège (2019) place cultural industries studies within a political economy tradition. In her book *How Hollywood Works*, Janet Wasko (2003) refers to Vincent Mosco (1996) for a definition of political economy that, she writes, considers how “societies are organized to produce what is necessary to survive, and how order is maintained to meet societal goals”. However, political economy examines more than “social change and history” and “social totality”. It also includes a “moral philosophy” and “praxis”. That is, it is not sufficient to merely understand society; society must also be evaluated on moral grounds – and research should be oriented “towards actual social change and practice” (2003, 7–8). Wasko’s own definition of the political economy of film aligns well with the views expressed by Miège above.

“Fundamentally, the political economy of film analyses motion pictures as commodities produced and distributed within a capitalist industrial structure.” (2003, 9–10).

Hesmondhalgh also looks to Mosco (1996) and his division of political economy into “three geographical and political settings: North America; Europe; Asia, Latin America and Africa” (2019a, 56). For Hesmondhalgh, the European “cultural industries approach” is more productive than the North American “Schiller-

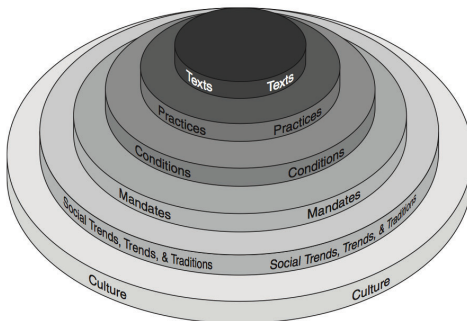
McChesney” tradition which, he argues, largely underestimates or ignores the contradictions, tensions, and specificities of the cultural industries.

In their article “Critical Media Industry Studies: A Research Approach”, Timothy Havens, Amanda Lotz and Serra Tinic offer a similar criticism of the North American tradition.

“The limitation we find with critical political economy approaches to the media industries results from their consistent focus on the larger level operations of media institutions, general inattention to entertainment programming, and incomplete explanation of the role of human agents.” (2009, 236)

The critical media industry studies approach they espouse instead focuses on the “operations within media industries” and prefers a “helicopter view” rather than a “jet plane” view because it offers “finer detail, albeit with narrower scope” (2009, 239). Havens and Lotz (2012) later introduce “the Industrialization of Culture Framework”, an analytical tool that centres the mandates, conditions and practices that produce media texts. While this framework certainly allows for an understanding of media products as cultural commodities in a capitalist society, the approach lends itself more to the study of individual companies, practices, and processes.

Figure 1: The industrialization of culture framework



(Havens and Lotz 2017, 24)

In the Industrialization of Culture Framework, the social changes and history and the social totality central to the political economy approach are contextualised as “Social Trends, Tastes and Traditions” and “Culture”. In this model, such macro concepts provide context for the analysis rather than being the object of analysis.

Janet Wasko and Eileen R. Meehan have responded to these criticisms of the political economy approach on several occasions (Wasko 2018, Wasko and Meehan 2013, Meehan and Wasko 2013). Their main argument is that their critics use generalised straw men when describing their methods, and that there are several examples of the political economy approach being used at all levels of inquiry. They end their article “In defence of political economy” (Meehan and Wasko 2013) by asking if proponents of critical media industries studies simply want to remove the “political” aspect of the political economy approach.

From my point of view, all these traditions/approaches offer important contributions to film and media studies; my work is influenced by all of them to various degrees. Nonetheless, there remain important methodological, ideological, and ethical disagreements between these approaches that will be addressed in the next chapter.

That said, this thesis remains within the tradition of cultural industries studies. There are three main reasons for this. First, it is heavily influenced by Bernard Miège and his understanding of the cultural commodity and cultural industries logics. Secondly, I draw on Hesmondhalgh for much of the analysis, especially his and Amanda Lotz’ concept of “circulation power” (Hesmondhalgh and Lotz 2020). Finally, I believe that the dynamics of the cultural industries are distinct from those of the larger media and creative industries, and that these differences are significant enough to justify cultural industries studies as a separate field.

Defining Cultural Industries

The cultural industries are, at least by Hesmondhalgh and Miège, defined very broadly. Hesmondhalgh’s definition of the cultural industries as “those institutions

that are most directly involved in the production of social meaning" (2019a, 14), is not fundamentally different from Richard Caves' definition of "'creative industries' in which the product or service contains a substantial element of artistic or creative endeavor" (2000, vii).

Yet in practice Hesmondhalgh and Miège concern themselves with a narrower understanding of the cultural industries. Most of their theories apply only to those parts of the cultural industries where the "artistic or creative endeavor" is not just an "element" of the "product or service", it is the entire point of the "product or service".

Hesmondhalgh's reasoning for avoiding the "creative industries" term is mainly political, as he regards it as a pragmatic approach more concerned with policy than critique (2019a, 71). I contend that the difference between "creative", "cultural" and for that matter "media" industries is also categorical.

I prefer a definition of the cultural industries as those industries where "the artist's imprint" remains even as the product is "reproduced in thousands of copies" (1989, 26). This definition certainly applies to the recorded music industry, publishing, the game industry, the film industry, and most of the television industry. While this definition is narrower than Hesmondhalgh and Miège's, I argue that it is not only more precise - it also reflects their understanding of the cultural industries better in practice.

Hesmondhalgh argues that the cultural industries are fundamentally concerned with the management and selling of "symbolic creativity". He uses the phrase "symbolic creativity" and "symbol creators" for two reasons. He wants to avoid the word "art" and its "connotations of genius and higher calling" and to include "those involved in the production and sharing of knowledge as well as of art and entertainment" (2019a, 8-9).

Hesmondhalgh includes, in accordance with this broad definition of cultural industries, most if not all media industries including "web design" and "advertising,

marketing and public relations" (2019a, 15). Miège has a similar understanding of the cultural industries and includes "printed news", "computer programming" and "live events (including sports events)" (1989, 136).

Further, Hesmondhalgh describes two main stages, creation and circulation, in the social organisation of culture industries. He maintains that a key feature of culture industries is that while those involved in creation have a large amount of autonomy, corporate entities retain strict control over circulation (2019a, 95–96).

While this certainly applies to publishing, music, and film, in other industries, such as web design and public relations, or even journalism, workers enjoy far less creative autonomy in their daily work. In these industries, the artist imprint is not necessarily visible or important, and therefore their autonomy is of less value.

In other industries such as arts, architecture and live events that are covered by Hesmondhalgh's broad cultural industries definition the symbol creators enjoy a large degree of autonomy, but it is more questionable if "corporate entities retain strict control over circulation" (2019a, 96). In these industries the element of reproduction is either limited or a matter of discussion, and they are not sold as cultural commodities, or "reproducible products for private purchases" (Miège 1989, 21).

Cultural, and media, goods have unique economic properties that distinguish industries concerned primarily with cultural commodities from those largely selling services – even if those services, like advertising, create symbolic value. Philip M. Napoli offers a concise summary of these unique properties and challenges in his article "Media Economics and the Study of Media Industries" (2009), and his discussion has bearing on challenges film distributors face in negotiating economic value.

Napoli's first point is that media industries create both content and audiences, and in some markets sell content to audiences and in other markets sell audiences to advertisers. This is the *dual product marketplace*, where revenue can be generated

directly from consumers or from advertising or in a combination of both. The selling of audiences to advertisers is a complex affair, as it is not only difficult to place a value on audience attention, it is also very difficult to measure¹⁰.

Secondly, whether ad-supported or not, cultural/media commodities come with their own unique economic properties. They are, firstly, public goods in the sense that they are not used up when one customer accesses them, but can be consumed again. Additionally, compared to the production costs of the first version, the original film, book or recording, copies can be made at an insignificant cost, resulting in near-zero marginal costs on repeated consumption. Finally, they are also experience goods—their qualities are not known to consumers until they have experienced them¹¹. Thus, “any consumer that values a media product at a value greater than zero” (Napoli 2009, 165) can generate profit. This makes the value proposition of any given cultural product very difficult both for producers and consumers, resulting in a high level of uncertainty and complex pricing strategies, such as windowing. It also has numerous strategic implications, which will be discussed later in this chapter.

Hesmondhalgh’s stages are also reminiscent of the value chain concept initially introduced by Porter (1985) to identify the competitive advantages an organisation could exploit. Lucy Küng argues that many value chain analyses of media industries in fact do not follow Porter, but are instead a “shorthand means of depicting graphically the various stages by which media products are created and delivered to the customer” (2017, 20).

Yet value chain analysis remains useful in understanding and identifying the companies and processes that make up individual industries. It could also be used to

¹⁰ Napoli was, in 2009, mainly considering television audiences that were roughly measured by rating companies. In a world of on-line advertising many ad-companies offer very granular audience measurement. However, the credibility of such measurements is questionable (Read 2018).

¹¹ Napoli does not use the term “experience goods”, but argues along the same lines as Caves’ (2000) use of the term.

identify what constitutes and separates an individual cultural industry; if companies have a shared/similar value chain, they can be grouped together as part of the same industry. As an example, while the film and television industries both produce stories with moving images and sound, prior to digitalisation they had largely separate value chains. This could be a good reason to consider them separate industries prior to digitalisation, and to reconsider that claim after digitalisation. Still, like a coastline, the value chain becomes longer the closer you look. An overly detailed analysis of the film industry could include road workers, hard drive makers, and coffee plantations as production trucks need roads, cameras need storage, and writers need coffee.

Cultural Industries Logics

The concept of *cultural industries logics* was introduced by Bernard Miège over several articles in the late 1970s and throughout the 1980s (George 2014, Miège 1989, 1987). Miège used this concept to identify characteristics of cultural industries that were relatively stable through technological change and could also be applied across different cultural industries. Miège's goal in identifying cultural industries logics was to avoid getting stuck on empirical detail that might not prove relevant in the long run.

Initially, Miège introduced five logics: cultural commodity publishing, "flow" production, printed news, computer programming production and live performing arts (1989, 136). The first three Miège considers established enough to be regarded as models.¹²

¹² The translation of *The Capitalization of Culture Production* (Miège 1989) uses the terms publishing, flow and printed news when the logics are presented, but "printed news" is replaced by "the written press" when the model is presented. The translation of "The logics at work in the new cultural industries" (Miège 1985) prefers "editorial" over "publishing" and "written information" over "printed press", and Eric George prefers "streaming" over "flow" in his article "The Theory of the Cultural Industries: A "Milieu" for Building Dynamic Knowledge" (2014).

Table 1: The three models¹³

	Editorial Model	Flow Model	Written information model
In the form of:	<i>cultural commodities</i> work reproduced in formats conferring a private good character; alternatively, rights of access allowing use of the work	<i>continuous flow</i> accompanied by audience loyalty	<i>information products</i> bought on a regular basis
Main function:	publisher/producer	programmer	editor-in-chief
Sector characterised by:	many small or medium-sized companies clustered around oligopolistic firms	quasi-industrial organisation and emphasis on purchase of rights	industrially organized creation and manufacture
Creative personnel:	remunerated via copyright payments. Existence of incubators (= reservoirs of talent)	generally on salary. Also contract and freelance	generally on salary. Also freelance
Distribution and revenue base:	direct sale to consumer, revenues in proportion to audience size	indirect via license fee/subscription tariff and/or advertising	mixed systems (sales to consumers and advertising receipts)
Market characteristics:	segmented mass market	mass market (generally undifferentiated but tending toward segmentation)	mass market segmented or undifferentiated (e.g., newspapers enjoy geographical monopoly)

(Miège 1987, 286)

More expansive versions of the models are presented in the article “New Media, New Questions”. Here, the “dialectic of the hit and the catalogue” as a way of managing risk is included among the market characteristics of the publishing model and “the need to get the attention of the customers and develop their loyalty” is among the market characteristics for the “the written press” model (1989 p. 146–47)¹⁴.

In the intervening decades, Miège and several other theorists have used and developed the cultural industries logics. In these developments the core distinction between the publishing and flow logics has remained central. So has the discussion

¹³ The table is reproduced as originally published, see previous note on translations.

¹⁴ The more extensive model was originally published (in French) in 1986. I have therefore chosen to prioritize the later and more concise version from the 1987 article.

of whether one or the other is becoming more dominant, or if they are merging (George 2014).

The publishing logic applies to cultural products that are sold or rented on an individual basis, such as a single movie ticket, a single book, a record and so on. The flow logic applies to cultural industries where the consumer does not buy a single product but gets access to a flow of cultural products either through subscription or supported by advertising or subsidies.

Writing in 1987, Miège anticipates the flow model will emerge as dominant but notes that the VCR shows that the publishing model can adapt. He also notes that as cable and local television became more widespread, they would likely increasingly rely on catalogue titles to fill airtime. The flow logic of television would therefore become more like the publishing logic. However, he maintains that even as the flow and the publishing logics become closer, they will remain separate.

In *Portals: A treatise on internet distributed television*, Amanda Lotz suggests a subscriber model to address streaming services such as Netflix within a Miègeian framework. Lotz argues that these “portals” are distinct from both the publishing and the flow models. Lotz argues that unlike the flow model these portals do not rely on advertising, and unlike the publishing model viewers pay for access to a “package of goods rather than the individual goods” (2017). However, in terms of economic organisation her subscriber model retains elements from both the flow model, large organisations and fixed payments, and the publishing model, irregular and by project employment.

Leslie Meier (2019) discusses how the music industry has always operated simultaneously within a publishing logic, as albums sold to consumers, and within a flow logic, as a principal ingredient in radio broadcasting. Meier argues that while the club or subscriber models might work for some streaming services, depending on their use of advertising or not, “one model cannot capture the complex dynamics of the music industry”. She further argues that “while the non-linear experience of

much streaming may be distinct from radio, it does not mark a break from listening practices tied to physical albums” (2019, 328).

These are valuable contributions to the ongoing discussion of cultural industry logics at a time when digitalisation has diminished the differences between the industries, and streaming services seem to be the central business model in all of them. However, neither are fully applicable to the emergence of streaming services within the film industry. Lotz and Meier downplay how the streaming services, especially with their standard autoplay settings enabled, feel like a flow for most consumers most of the time. From a radio or television perspective, this might be minor compared to the newfound possibilities for affecting the flow, but from a film industry perspective this is significant and must be discussed further.

A new streaming logic?

Streaming services challenge the divide between the publishing and the flow logic as formulated by Miège (1987). Recent contributions to the literature highlight to varying degrees elements of publishing logic, such as catalogues (Lotz 2017), or elements of flow logic, such as their dependence on loyalty (Johnson 2017).

While streaming services are diverse in their revenue base and market characteristics (Spilker and Colbjørnsen 2020), their content is delivered in the form of a *flow*. This flow differs from the those in the age of broadcast television described by Miège in that they are not *continuous* and centrally directed, but *interactive* and influenced by each individual viewer or listener.

Lotz defines the central function of the portals as “curation”. While this is not significantly different from the “publisher” in Miège’s publishing model, it reflects more precisely how the streaming services present their catalogues. Using a mixture of algorithms and editorial decisions, streaming services present a small selection of their catalogues to the user.

In the interactive flow, the breadth and depth of the catalogue become more important than in the traditional flow logic. Unlike the publishing logic, there is no

direct connection between the consumer's decision to watch a particular film or show, or listen to a particular song, and the larger revenue stream.

In services that pay the creators based on performance – mainly music and audiobooks – there is a connection between the number of plays and the revenue generated to creators. However, this revenue is usually not directly connected to the amount the listener pays to the streaming service, but meted out based on criteria set in the agreement between service and creator.

In services that pay their creators directly – mainly film and television – there is typically no connection at all between what the customer watches and what the creator is paid. All payments from the streaming services tend to be upfront, with no performance bonus. Whether the creators are permanently employed or on a contract basis depends largely on their role in the production company and whether the company traditionally has made television, where salaried employees are common, or movies, where they are rare.

The major streaming services are certainly also mass-market. While they may cater to niche audiences in a way that broadcast television or radio could not, their business model depends on reaching very large audiences.

Much of Netflix's success can be attributed to its successful understanding of these logics. Reaching 66% of Norwegian households (Schiro 2021), Netflix is certainly "mass market", however as its flow is interactive it can still appeal to local audiences with local language movies, to niche audiences such as anime fans, or simply the person you want to be tomorrow.

In the traditional flow logic – and also in the sense that Raymond Williams (1975) used flow to describe the way TV programmes fit together – the most important thing for a broadcaster is to keep viewers tuned to their channel. This means that a large number of merely satisfied viewers is better than only a few excited viewers, which tends to steer television shows towards a safe middle ground.

But in the interactive flow, it is possible to cater to smaller and more dedicated audiences and larger audiences at the same time. Content that any given viewer has no interest in need only be a minor distraction as long as the algorithms do their job. This creates room for experimentation that can sometimes lead to surprising successes, such as Netflix's *Squid Game* (Hwang 2021).

Even content that is not watched can create value in the streaming logic. High-profile artistic movies such as *Roma* (Cuarón 2018) might create audience loyalty because viewers want to see it at some future date, even if they right now choose another episode of the humorous cooking show *Nailed it!* (Netflix 2018-).

Still, the interactive flow is first and foremost a flow and requires a constant stream of new content. This necessitates enormous volumes of cash flow, and that is only sustainable with large audiences. In the streaming logic, the oligopolistic tendency of the flow logic appears to be even stronger. We see that it is not enough to be a Hollywood major to be able to compete on a global scale, and that local services either fold or expand to form regional oligopolies.

Thus, while a mass-market streaming service can offer a greater variation in content than the traditional mass-market broadcaster, this comes at the cost of increased concentration on the business side. Consequently, the streaming logic can lead to decreased variation in content globally, and not only in comparison to the traditional publishing logic of movies, but also compared to the internationally fragmented flow logic of traditional television.

In the end there is no need to elevate the streaming logic to a model, in Miège's hierarchy. In most respects the streaming logic sits well within the flow model, with only minor variations. The larger question is perhaps if the cultural industries logics apply to companies where the sale of access to cultural goods is secondary to the sale of smartphones or free delivery, or companies that measure their success on how Wall Street evaluates their catalogues rather than their potential customers.

However, even in these cases the “flow” of content designed to create “loyalty” (Miège 1987, 286) is likely to remain crucial.

Cultural Industry Strategies

Bernard Miège argues specifically that the cultural industries logics are not strategies. The logics are, rather, long-term trends that provide “the basis on which strategies are evolved” (Miège 1987, 284). He argues, however, that central to the publishing logic is the need to reduce uncertainty. Indeed, reducing the high levels of risk and uncertainty inherent in cultural commodities is defined as central characteristics of cultural industries strategies across the field (Hesmondhalgh 2019a, Havens and Lotz 2017, Caves 2000, Napoli 2009).

Henry Mintzberg argues that often what is viewed as strategy is frequently the “process of making strategy,” and that strategy is often assumed to be focused on change because change is difficult, and the study of change is interesting. In fact, Mintzberg contends: “Strategy is a force that *resists* change, not encourages it”. According to Mintzberg, strategies are about creating consistency and reliability. “Strategies reflect the result of organizational learning, the patterns that have formed around those initiatives that have worked best” (Mintzberg 1987b, 30).

Common cultural industry strategies

Looking at existing literature, we find several established risk reducing practices across the cultural industries. While the labelling of these as strategies is disputed – some would argue that these are business models, market characteristics, traditions, or practices – I believe it is productive to view them as strategies according to Mintzberg’s definition. An important reason for this is, as this thesis will show, that what are often described as industry-wide practices really only apply to the major companies in the major markets.

From existing literature, I have identified the following common strategies:

- overproduction
- increased production value
- heavy marketing
- vertical integration
- bundling
- comps
- windowing
- exploiting talent pools

Over-production is to compensate for the uncertain value of a cultural good by producing a high volume of goods. The marginal reproduction costs of cultural goods allow a big hit to compensate for many losses. Though this strategy is described as common across all cultural industries, it is more frequent and more effective in the publishing and music industries, where first copy costs can be very low.

Increased production value raises audience expectations, but also necessitates higher budgets and effectively creates a barrier to entry for companies with less funding. This strategy is most evident in the television, film, and computer games industries, where the increased spend is clearly evident for the consumer. Hollywood has effectively used this strategy to reduce foreign competition since WWI (Segrave 1997, 11). Currently there is also a high-stakes spending war among the SVOD services, that certainly implies that they believe more expensive content is a way to attract viewers (Maas 2022).

Increasing production value is also a strategy aimed at creating positive spirals for oneself and negative spirals for competitors in *dual product marketplaces*. Dual product marketplaces are partially or solely dependent on advertising, and the relationship between increased circulation and increased advertising revenue tends to create positive or negative spirals. Publications/channels with high impact get more advertising (and subscription) revenue, allowing for higher investments in

content, which in turn increases circulation. A publication that loses advertisers, loses revenue and has to reduce investment in content, which results in declining circulation and further loss of revenue.

Heavy marketing is very effective because of the marginal reproduction costs of cultural products, their high availability, and their nature as luxury goods. Companies with enough resources can use marketing to dominate the marketplace and still be profitable, because this domination results in strong sales. Janet Wasko finds that from 1985 to 2002 marketing budgets for Hollywood movies increased from a third to half of the production budgets (Wasko 2003, 33). A decade later Stephen Follows (2016a) examined 29 Hollywood blockbusters with \$100M+ budgets and found that the marketing budgets were about 80% of the production budgets.

Vertical integration is the ownership by the same company/conglomerate of several parts of the value chain. This not only allows the extraction of value from larger parts of the value chain; it also allows greater access to the markets and to content. Prior to 1948 Hollywood studios used their control of the entire process from screenplay to screen to exclude competition from cinemas as well as reduce the bargaining power of the creative talent (Gibson 2022).

Bundling is the practice of selling access to services or content only as a part of a larger deal, such as the block booking requirements of the studio era in Hollywood, where cinemas were required to take less popular titles from a studio in order to get access to the biggest titles. Bundling is also common with subscription services, such as the cable company that only offers popular sports programming as a part of expensive bundles with other programmes. Joanna Gibson also describes SVOD services as “a kind of direct-to-consumer block booking” (2022, 169).

Comps: the uncertain value of cultural goods can also be offset by making cultural products similar to other (popular) cultural products. The term “comps” is taken from Thompson (2013). It is common practice in publishing, where the value of a proposal is projected through comparison with similar published titles. Similar

practices exist in the television, film, and computer game industries, where popular content is often followed or emulated.

Windowing is the practice of releasing the same cultural product in several sequential windows in various commodity forms. Films are first released in cinemas, then made available for sale on exclusive streaming platforms before being made available for rent, and then finally sold to non-exclusive streaming platforms. Books are initially released in hardcover editions and later made available as paperbacks. While the sequence and nature of the windows changes, the aim is always to extract the maximum potential revenue for each customer by moving from exclusive and expensive commodity forms to less exclusive and more affordable commodity forms.

Exploiting talent pools, and their cultivation, is another strategic practice. Talent pools arise when working in the cultural industries is considered to have value and meaning beyond the exchange of labour for money. This allows cultural industries companies to recruit labour at reduced cost by drawing on talent trying to break into the business. It also allows companies to offer talent less money in exchange for more autonomy, and vice versa. While the practice in many cultural industries of paying talent mainly in royalties does result in talent taking part in revenue created by hits, it also results in talent carrying the risk of not getting paid in the far more common case of misses.

It is worth noting, however, that all these strategies, with the possible exception of the last three – comps, windowing, and the exploitation of talent pools – require large markets and large resources to be successful. Consequently, they are functional strategies only for the dominant commercial companies; for all others they serve as a barrier to entry.

Strategic resources

The uneven access to strategy is described by Thorsten Hennig-Thurau and Mark B. Houston (2019) as a split between the *independent* and the *commercial*. To operate in

the commercial sector of the cultural industries, they argue, can be very profitable but requires vast economic resources. Independents, by contrast, are those who can't or won't operate in the commercial sector. They cannot expect significant profitability, are motivated by other factors, and require other resources like skills and networks to be successful.

Hennig-Thurau and Houston look to the resource-based theory of the firm to explain the dominance of "a few studios and labels" in entertainment industries. They argue that an organisation's use of a "distinct set of 'strategic resources'" is the key to competitive advantage and identify four such resources in the cultural industries:

"(a) financial production and marketing resources, (b) distribution resources, (c) access to or control of creatives and their past works, and (d) technological resources" (2019, 130).

According to Hennig-Thurau and Houston access to these resources create effective barriers to entry as they depended on a combination of economic capital and network effects. Even new entrants that can afford to compete in the commercial sectors of the cultural industries need to prove their value against competitors that already have relations to creatives, distributors, cinemas, stores, and other entities they depend on.

The resource-based theory of the firm has however, been criticised because it in many industries is difficult to pinpoint "distinct" strategic resources (Douma 2017). Nonetheless, the nature of cultural goods makes every product distinct. It is therefore not unreasonable to assume that even the "independents" can have access to some kind of distinct resource.

In *Merchants of Culture*, John B. Thompson (2013) describes a similar split similar to the "commercial" vs. "independent" in UK and US trade publishing. Using Bourdieu's theory on forms of capital, Thompson argues that the position of

publishers in the market depend on their ability to spend and attain either economic or symbolic capital.

Commercial publishers use their economic capital to acquire and market potential bestsellers, which generate further economic capital. Publishers with limited economic capital may still be successful if they manage to attain symbolic capital, which in this case means that they can attract certain types of authors and readers based on the perceived quality of their output. In much the same way as economic capital, symbolic capital also becomes self-reinforcing. While economic capital may be employed to achieve symbolic capital and vice-versa, a publisher's main strategy is always to spend and accumulated one or the other.

Applied to the broader cultural industries these dynamics explain why, at least in large markets, most companies tend to have mandates that are either commercial or artistic, to be either very large or relatively small, to either have economic capital as their main resource or have symbolic capital as their main resource. While the output from the big commercial companies tends to dominate markets, the independent/small/artistic companies are always more numerous. It is therefore possible to survive in the cultural industries by applying skills and knowledge to find viable positions in the market that do not require huge financial resources.

In smaller markets the lack of a sustainable market and the importance of policy, will however, make the large and commercial companies more dependent on symbolic capital as well. If their position depends to some degree of public funding, they must prove their value beyond the economic.

Analysing strategies

While the industry-wide practices outlined above can all be viewed as strategy, Mintzberg's understanding of strategy as a force that resists change is less useful when attempting to understand and analyse the strategies of individual organisations. Mintzberg argues that strategies can be defined, and analysed, in five ways: plan, ploy, pattern, position and perspective.

As plan or ploy, strategy is understood as deliberate – that is, something an organisation intends to do, in the case of a plan, or something the organisation wants others to think it intends to do, in the case of a ploy. As pattern, a strategy is studied not according to an organisation's intentions, but according to its realisation in past practice. In this scenario, a strategy begins as intended, but in the process of becoming realised, unrealised plans are abandoned and emergent strategies are folded in. Strategy as position addresses how an organisation differentiates itself sufficiently to create "any viable position" (Mintzberg 1987a, 5). Strategy as perspective examines how the organisation views itself and the world.

Strategies can be studied as any combination of these, but in the cultural industries field (as indeed most fields) access to process and strategy documents is limited. Empirical data on realised strategies is, by contrast, discoverable in the form of books published, movies released, records promoted, and so on. Thus, broad analysis of strategy as pattern or position is possible even with access only to public data such as information on books published, records promoted, or movies released. Analysing cultural industry strategies as plan, ploy or perspective requires at the minimum careful attention and at best access to informants, processes, and internal documents.

Responding to Change

One implication of Mintzberg's understanding of strategy as a force that resists change, is that when change eventually occur "then all that is constructive and efficient about an established strategy becomes a liability." (1987b).

Mintzberg, Ahlstrand and Lampel (2005) argue that cultural industry companies are usually *adhocracies*. These are companies that because of the constantly changing nature of their industries make constant and incremental changes. On the other hand of the spectrum they place *machine bureaucracies*. These are companies that tend to resist change as long as possible, before making sudden and sweeping changes.

In examining Norwegian publishers' responses to digitalisation, Terje Colbjørnsen (2015) applies Christine Oliver's (1991) typology of strategic responses. Colbjørnsen finds that the publishers were generally on the passive end of the spectrum, often choosing *acquiesce* or *compromise* over *avoid*, *defy*, or *manipulate*. Despite the frequent criticisms of both the general slowness of the publishers' response to digitalisation as well as some of their specific efforts, Colbjørnsen finds that their strategies of slow and incremental change succeed in preserving continuity.

As such one should expect cultural industries companies to respond with incremental, if not slow, changes, that more often than not are on the passive end of Oliver's spectrum. Since they are constantly changing and interdependent, sudden and sweeping changes seldom last. Even a recent act of notable defiance, such as Warner's abandonment of the cinematic window in 2021 resulted in a compromise – a shortened cinematic window.

Cultural Industries in small countries

If the inherent qualities of cultural commodities favour economics of scale, they not only favour large companies, they also favour large nations. If strategies traditionally seen as key to success in the cultural industry are only available to those with economics of scale, even large companies operating in small countries would find them inaccessible.

In *The Cinema of Small Nations*, Hjort and Petrie (2007), discuss several possible definitions of small nations. Key to their analysis is the understanding that small is relative – a small nation is small in comparison to one or more bigger nations. In a cultural industries context, a small nation is one where local creation cannot be funded by local dissemination, or where local cultural commodities would be outcompeted by foreign cultural commodities.

In this context, size does not always matter, but language tends to. In the film industry, Canada is a small nation because of the dominant US neighbour. Germany is a large nation in the German-speaking sphere, but a small nation again when

compared to the US. Norway is a small nation in almost every definition of the term, but it is relatively bigger in the publishing industry than in the film industry – while the Norwegian publishing industry also relies on policy – governmental financial support and cultural directives – to sustain domestic output, lower production costs and higher language barriers to foreign entry result in a more viable domestic market than in the film industry.

Policy is, in fact, critical to sustaining small nation cultural industries. Governmental interventions range from various degrees of support of local industries and protections against foreign industries.

Hjort and Petrie find that governmental interventions in the film industries of small nations three main goals: political, cultural, or commercial. A political intervention seeks to build, or protect, national identity and could serve as propaganda or censorship. A cultural intervention seeks to nurture film for their importance as art. A commercial intervention seeks to compensate for the lack of a local market, either by supporting popular local movies in the home markets or by supporting exports to larger markets.

In Norway we find traces of all three in both film policy as well as in the broader media and cultural policy. As an example the Norwegian public service broadcaster, NRK, has obligations to be popular and to unite the nation, while also supporting all segments of the population, no matter how small (Syvertsen et al. 2014).

The problem with digital “availability”

Digitalisation has affected all the cultural industries as it has changed the production, the commodity form, the distribution, and the consumption of cultural products. At the advent, digitalisation was seen by some scholars¹⁵ (Hesmondhalgh 2019a, 264) an opportunity for far more diverse cultural offerings.

¹⁵ Me included, see (Øfsti 2011b).

The belief that digital platforms could have a more diverse offering was based on their potentially unlimited storage space. The reality has been that financial, legal and technological aspects of digital distribution reduces diversity.

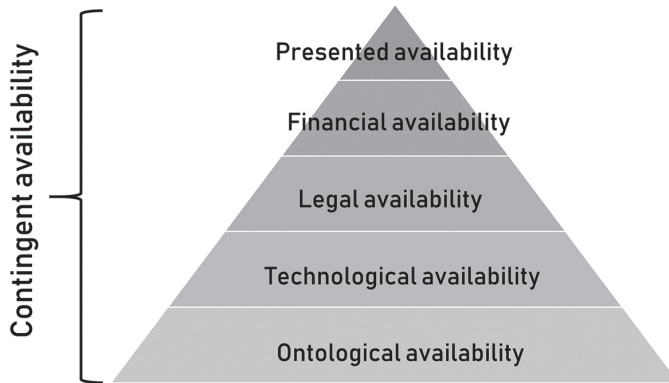
Hesmondhalgh and Lotz identify the interfaces of these platforms as key sites of “circulation power”. They note that being in the library of such platforms “means relatively little” if the content is not given “discoverability” and prominence” (2020, 389). Building on Hesmondhalgh’s earlier work (2019a) they explain that “*circulation power* [refers] to the powers that media industry firms involved in production and circulation can exert over creators, audiences and the media environment in general” (2020, 389).

Hesmondhalgh and Lotz use circulation power to explain why falling production costs¹⁶ have not led to a significant increase of “alternative” producers in cultural markets: smaller producers still lack access to “key sites of circulation”. The concept of circulation power also has bearing on information about viewership and prominence, which prior to digitalisation was generally available, if not to the public then at least to creators. By contrast, streaming services have generally kept this information secret for their own strategic advantage (2020, 390)

However, while the libraries of digital platforms are virtually unlimited, content still has to pass several hurdles in order to be included. The availability pyramid, a concept developed by Terje Colbjørnsen, Kim Tallerås and me (2021), aims to clarify the contingencies that the availability of cultural products rests on. We argue that for any cultural product to be presented to the consumer, it has to exist, it has to be in an accessible format, legal issues must be solved, and economic issues have to be solved.

¹⁶ One could also include falling distribution costs here.

Figure 2: The availability pyramid



(Colbjørnsen, Tøllerås, and Øfsti 2021)

When previously released cultural products become unavailable they have more often than not been caught in one or more of these issues. New technologies will always pose a risk for older content, as their legal standing might have become unclear since the last release or their economic value might not warrant a new release. Even a movie that remains in print on an older format, such as a DVD, will gradually less available as audiences move on to new platforms.

Amazon and Netflix were among Chris Anderson's (2006) exemplars of the long tail, the digital stores with unlimited storage. Philip M. Napoli (2019) re-examines Anderson's ideas to understand why the long tail never happened. In the case of Netflix and similar streaming services, Napoli finds that for Netflix licensing fees simply became too expensive to be sustainable, and that original content is a better long-term strategy.

In terms of the availability pyramid Netflix' Originals' strategy secures both the long-term legal and economic availability for content, and licensed content will have a more difficult path across these hurdles. In our first article on the contingent

availability concept we also find that Netflix seem to give higher prominence¹⁷ to their own content (Tallerås, Colbjørnsen, and Øfsti 2019).

Napoli argues one step further along similar lines. When Netflix became a content creator, it suddenly had incentives to reduce the size of the library. “[O]nce a content aggregator vertically integrates into content creation, all of the unaffiliated, licensed content available on the service represents a competition to the home-grown content” (Napoli 2019, 92).

Using Amazons acquisition of MGM as a focal point Johanna Gibson (2022) discusses how SVOD services are increasingly locking a significant share of cultural heritage inside their walled gardens. She further argues that their focus on exploiting existing brands and properties is a threat to creativity and comes at the expense of independent artists.

However, Hesmondhalgh and Lotz’ argument that simply being in the libraries of these platforms “means relatively little” still stands. While platforms might be able to store vast amounts of content on their servers, they have very limited screen space to display available visual content. Compared to a physical store or a theatre, far less content will typically fit in the most prominent places. As prominence is relative this increased the prominence of featured content, at the expense of other.

In many respects, the digital store is like a “serviced store”; while display space is limited, more content exists in storage than in the self-service store because there is no need for it to be accessible to customers. If the customer wants something “from the back,” they must either know what they are looking for or trust the store’s recommendations. In most cases these recommendation systems are based on what is already popular (Bobadilla et al. 2012).

¹⁷ In the first version of the pyramid the top level was called “algorithmic availability” as the context was specifically streaming services. In the second version it is called “presented availability” to reflect both editorial and algorithmic decisions. However, the level corresponds with Hesmondhalgh and Lotz’ use of “prominence”, which is also my preferred term in this thesis.

All of this affects content from independent producers and small nations. With smaller initial markets they struggle for prominence in digital recommendation systems, with less resources at hand they lack the circulation power to cross technological, legal, and economic hurdles to availability and prominence. Within their SVOD services, however, companies like Netflix, Disney and Warner can dictate the terms of prominence and availability at their own will.

The problem with “distribution”

The digitalisation of the cultural and media industries has also caused a surge in scholarly interest in questions of distribution. Alisa Perren found that while there were perhaps more studies on media distribution than she expected, the field was fragmented and lacked standardised definitions that would enable cross-industry analysis. Perren calls for more “comparative approaches (...) under the broader heading of ‘Distribution Studies’” (2013, 169)

With the release of the anthology *Digital Media Distribution: Portals, Platforms, Pipelines* (McDonald, Donoghue, and Havens 2021), this call has certainly been heeded, even if the editors are reluctant to call “distribution studies” a field. Nevertheless, the anthology as well as numerous other studies of film and television distribution published since 2013 show a healthy interest in distribution from various media industry perspectives.

Virginia Crisp finds that “distribution” is a poor description of what film distributors actually do. She briefly mentions that Paul McDonald, who in turn cites Henrik Vogel, argues that “publishing” might be a better term. (2015, 1). Lotz also discusses how the classic separation of the film industries into production, distribution and exhibition became awkward as soon as film consumption expanded beyond cinemas (2021, 50).

Joshua A. Braun argues against using industry-defined actor categories for several reasons. They are not necessarily precise, they are seldom applicable across industries, and the previously stable borders between categories are disappearing.

Braun instead prefers definitions that centre the process of distribution as “movement of content from the time it is produced to the time it reaches the consumer” (Braun 2015) in (Braun 2021, 29).

This is reflected throughout the contributions to *Digital Media Distribution*, where the various definitions of distribution tend to focus on the process/practice.

“Whether we call it “circulation,” “valuation,” or “consumer intelligence,” the practices of evaluating potential markets for media products, setting production and intellectual property rights costs, ensuring that targeted consumers know about and have access to the products, and evaluating their success are necessary for all contemporary media corporations, regardless of what we might call these practices.” (McDonald, Donoghue, and Havens 2021, 8)

While these broad, process-oriented definitions of distribution are useful when examining the spread of media or general industry practices, they are less useful when examining what distributors actually do. According to Lotz, “the tasks attributed to the role of ‘distributors’ are too broad and varied to lead to useful theory” (2021, 59).

Echoing Hesmondhalgh’s (2019a) “creation” and “circulation” stages, Lotz replaces the distinctions between production, distribution, exhibition with “production” and “circulation”. Lotz further analyses “the tasks of circulation” within the context of television in the U.S., identifying how tasks such as “create”, “fund”, “organize”, and “deliver” are performed. A key argument for Lotz is that a task-based framework “identifies the many entities that may engage in both distribution (select, coordinate) and exhibition (offer)” (2021, 49).

The task-based framework also allows for analysis of production/circulation without having to define the actors as a part of any given cultural industry or not – something Hesmondhalgh’s model forces him to discuss in several instances (2019a, 20). The question, then, is not whether a company is a cultural industry company, but whether or not it performs a task within the cultural industries. For instance,

Hesmondhalgh does not consider Walmart to be a cultural industry company. However, as a major retailer of movies, books, games, and music it has, or used to have, a major impact on which culture products are sold at large scale in various global markets. It would therefore be wise to use an analytical model that allowed for Walmart's impact as a retailer.

Lotz does not define the role of her task-based framework beyond the examples listed above. This makes the framework very flexible and able to discover and analyse changes in production and circulation as new tasks emerge. On the other hand, without a set of defined tasks it might be too specific to allow cross-industry analysis.

The "circulation" concept is, on the other hand, often simply too broad to be useful. There is a significant distinction between "production", "creation" and "circulation", especially, as Hesmondhalgh notes, when it comes to the amount of control the major cultural industry companies exert. But "circulation" also covers very different kinds of activities that are sometimes even at odds with each other – for example, when film distributors and exhibitors wrestle over window-length and rental fees.

In the next few pages I therefore propose a new theoretical framework, the cultural industries functions, consisting of creation, commodification and dissemination.

This framework is similar to Lotz' task-based framework in that it centres what tasks/functions are performed, rather than who performs them. However, it also employs strict theoretical definitions of these functions. This allows for easier cross-industry and longitudinal analyses.

The framework resembles Hesmondhalgh and Lotz' stages but returns to a tripartite structure. There are several reasons for this. One is that they have very different relations to those in the creation function. Retailers, exhibitors, and others in the dissemination function rarely interact directly with the creation of films,

books, games, and so on. Powerful retailers like the aforementioned Walmart have demonstrably had an impact on what kinds of culture products are made, but this influence is channelled through distributors, publishers, labels, and other intermediaries.

Further, both currently and historically, dissemination has been an important entry point for major players within cultural industries. Netflix, Spotify, and most of the major Hollywood studios started their businesses by selling subscriptions or tickets directly to customers before they, to varying degrees, moved into commodification and creation. By considering dissemination as a discrete function, identifying such moves is easier.

Most retailers/exhibitors are also not involved in the commodification of culture goods. When the film reaches the cinema, or the book reaches the bookstore it is in most cases as a finished, commodified product. The only things left to negotiate are how, when and at what cost the product is sold. Separating commodification and dissemination thus allows for analysis of the power struggles between retailers and publishers, cinemas, and distributors, and so on.

Cultural industries functions

Creation in the cultural industries functions framework entails the creation of texts. *Commodification* is the conversion of texts into cultural commodities that can be disseminated on an industrial scale. *Dissemination* is the extraction of revenue from cultural commodities on an industrial scale through sales, exhibition, or other means.

While not all three functions need to be present for cultural production to take place, they are all required to make a cultural industry. It is easy to imagine a writer creating texts that are never commodified nor disseminated, and simply left as forgotten files on forgotten computers. This does not generate any readers or revenue and as such is not an industry. One could argue that an artist performing music solely at self-booked gigs and selling their homemade records directly to the

audience is enacting creation and dissemination without commodification.

However, this scenario cannot be replicated on an industrial scale and so also does not form the basis of a cultural industry.

The creation function is performed by those who are directly involved with the creation of a text – in the publishing industry, writers, and in the music industry, artists. Yet this process quickly becomes less self-explanatory. Where does creation end in complex cases such as the movie industry? Writers, directors, and actors obviously perform the creation function, but what about lighting technicians and the make-up department? In most cases though, this level of distinction is unnecessary; it is sufficient to identify creation based on its relationship with commodification function. Simply put, who is compensated when the text becomes commodity? In most cases it would be sufficient to consider production companies as performing the creation function in film and television, as they have direct dealings with performers of the commodification function.

The commodification function is the process of turning text (the output of the creation function) into cultural products that can be disseminated on an industrial scale. Commodification creates or changes the commodity form of the text.

While commodification can take many forms across industries and at different times, the constant factor in commodification is the management of intellectual property rights. The core business of the entities that perform the commodification function is the buying, selling, and managing of rights. The latter includes making physical and digital copies available for dissemination, and in most cases making the overreaching marketing decisions. Commodification can also change the commodity form of the cultural product as it moves through various markets, windows, and formats.

In the book and games industry, publishers perform the commodification function; in the movie industry, it is the domain of the distributors; and in the music industry, it is handled by record labels. While companies at the dissemination level

participate in marketing, they typically do so with support and materials provided by companies involved in commodification.

The dissemination function takes place at the actual point of sale, rent or other forms of monetisation of the text. This encompasses sales in online or physical stores, exhibition in cinemas, subscription services and/or ad-supported outlets like social media or free-to-air television. Dissemination does *not* change the commodity form of the cultural product.

Table 2: The cultural industries functions

Function	
Creation	The creation of texts.
Commodification	The conversion of texts into cultural products that can be disseminated on an industrial scale.
Dissemination	The extraction of revenue from cultural products through consumers.

These three functions are specific enough to be analytically useful, while remaining general enough to allow cross-industry analysis. The framework could, for instance, highlight the power struggles within the various industries and the centrality of the commodification function.

Commodification, unlike creation and dissemination, is by definition an industrial process. Commodification creates products that can be sold, rented, or otherwise monetised by the thousands and thousands. It is when creation and dissemination are connected with commodification that they become a part of a cultural industry. If the creation or the dissemination is performed in a way that cannot be scaled it is not industrial, but artisanal. The professional writer, paid for his books and not employed by the church or other patrons, could not exist without the publisher and the printing press (Feather 2005).

The commodification function has therefore always been the most capital intensive of the three functions, and therefore commodification has often also been gatekeeping. Often by design as reducing any competition's ability to put products in the marketplace is an obvious way to your own success.

Thus artist, writers and others performing the creation function have always risked exploitation by the often more powerful publishers, labels and others that perform the commodification function. On the other hand stores and others performing the dissemination have banded together in chains to give themselves more negotiation power vs. the publishers and distributors.

Creation happens once. Even if some kinds of *text*, like a successful TV shows, the text is at some point finished. Any later revisions of the text after it has been released is a new text¹⁸. Dissemination happens constantly. Though most cultural products have short shelf-lives, there is no limit to the number of times any given cultural good can be consumed. Commodification happens sequentially as the commodity form is adapted to new technologies, new windows, new markets, and so on.

While the *text* and the *commodity form* are not the same, as I argue further later in this chapter, in terms of the cultural industries functions, the text is finished when it is first commodified. Until the book, the record or the movie is available to the public it can still change. The first performance of the commodification function is therefore crucial. It not only “finishes” the text and makes it available as a product, the commodity properties a cultural product is given when first commodified will tend to remain in subsequent commodity forms.

When discussing the film industry, there is therefore good reason to separate *first run distributors* and *sub-distributors*. The term first run distributor is here borrowed from Amanda Lotz and a discussion on the financing of television versus streaming (2019). First run distributors perform the first commodification, typically acquiring distribution rights for a film when it is in the early stages of pre-production. In film, as well as television, the first run distributor tends to contribute a critical part of the financing as well as create the initial marketing campaign. Sub-

¹⁸ Yes, the original versions of the Star Wars trilogy are different texts than the currently available versions, and should be released.

distributors, a term here borrowed from my informants, acquire rights to movies that already exist in a commodity form, and adapt that commodity from to whatever market they have acquired rights for. In many cases the changes to the commodity form are minimal, such as the adding of subtitles or choosing another poster.

Still, the cultural industries functions are theoretical constructs. In practice the divisions between them are blurry, because most companies and individuals perform two or more of the functions at various stages. This is especially true of creation and the first point of commodification, first run distributors that invest in unfinished films are involved in creation.

Analysing Norwegian streaming services

As an example, an analysis of the leading book, film, and music streaming services in Norway using the cultural industries functions would look like this:

Table 3: Major book, music, and film streaming services in Norway

Function	Publishing Industry	Music Industry	Movie Industry
Creation	Writers, Cappelen Damm	Artists	Production companies, Netflix
Commodification	Cappelen Damm	Labels	Distributors, Netflix
Dissemination	Storytel	Spotify	Netflix

The Norwegian (audio-)book streaming market is currently dominated by Storytel. Storytel gives subscribers access to a catalogue of audiobooks and ebooks. Storytel does not pay the authors upfront for streaming rights, but pays out royalties based on the popularity of each title. In other words, the company performs the dissemination function.

This is, however, complicated because Storytel is partly owned by the publisher Cappelen Damm, and most of the books on the service are titles from the Cappelen Damm catalogue. Cappelen Damm itself mainly performs the commodification function because its core business is buying intellectual property rights from writers and transforming these into goods or services that can be sold in, among other places, bookstores and Storytel. However, Cappelen Damm is also

directly involved in the creation function as the company's editors often work closely with writers and often commission books.

In the music streaming market, Spotify is the largest player in Norway. Like Storytel, Spotify does not buy any rights – music, in this case – and payments to artists are paid after the fact based on the number of plays for each track¹⁹. Although the service has radically transformed the music industry as a whole, it is currently not directly involved in either the commodification or the creation of music²⁰. If Spotify, like Storytel, was owned by a major recording label and almost exclusively offered tracks from that label, the service would be very different.

When Netflix was a company that rented out DVDs by mail, it was only performing the dissemination function²¹. Because of the US first-sale doctrine, Netflix did not need to buy any rights for the movies in their catalogue, only the physical copies already available in the market. When Netflix became a streaming company, however, it had to buy streaming rights from producers and other distributors and thus began performing the commodification function as sub-distributor.

After this move, it didn't take long for Netflix to start producing its own content and so became a vertically integrated company that performed all three functions, in a manner that mirrors the development of the early Hollywood studios (Keating 2013, Gomery 1992). Currently, the Netflix catalogue consists of titles where it, as sub-distributor, has acquired screening rights limited by time and territory from other distributors or production companies and titles where Netflix as a first distributor has either bought all distribution rights or even commissioned the content²².

¹⁹ While major labels have secured advances from Spotify, the payment to artists is still based on plays (Singleton 2015).

²⁰ At least not officially (Okorie 2022).

²¹ One could argue that the iconic red envelopes were a part of the commodity form, and thus that Netflix began performing the commodification function at the outset.

²² Netflix Originals is, however, a brand and covers various types of acquisitions (Robinson 2018).

We can also use the figure above to address the various power struggles within the industries. In our study of availability in Norwegian streaming platforms, we found that books published by Cappelen Damm were clearly overrepresented among those with highest prominence on Storytel (Tallerås, Colbjørnsen, and Øfsti 2019). By which mechanisms this happened in an otherwise very regulated Norwegian book market must remain speculation. However, as the owner of the streaming service they could for instance consider the costs of audio recordings a necessary expense to bolster the service and drive subscriptions, where an outside publisher would have to consider the cost of any recording against the potential streaming revenue for each title.

Table 3 also demonstrates why Spotify's position and the music streaming market is quite different from Storytel and Netflix'. Does this also mean that Spotify has less influence? The company is by no means powerless, as demonstrated by the labels and artists that have reluctantly joined the platform in the last few years despite publicly complaining about Spotify's payment models. However, unlike Netflix or Storytel, Spotify has to compete with the other streaming services in its industry on a far more level playing field. Despite Tidal and Apple's attempts, there has been no successful implementation of exclusive deals in the music streaming market. However, Spotify has bought exclusive rights to podcasts such as The Joe Rogan Experience, which does make it a podcast publisher who perform the commodification function in that market.

If we were to add digital sales/rental platforms like iTunes to table 3, it too would occupy a similar position as Spotify. Regardless of whether iTunes sells movies, books, or music, it acts simply as a dissemination point. All rights are retained with publishers, distributors, artists etc. and every sale/rental generates a cut for both iTunes and the rights' holder.

The Cultural Commodity

The cultural industries functions also allow for a more thoughtful understanding of the cultural commodity. Since the term was introduced by Horkheimer and Adorno in 1947 (1991), there has been little discussion about what the commodity form of cultural goods actually is. Napoli (2009) and others discuss the market properties of the cultural commodity, but not its form. Miège gives a succinct description of the cultural commodity when he describes the inherent contradiction of the need for the unique “artist imprint” while remaining “reproducible in the thousands” (Miège 1989, 26).

I contend that the commodity form of the cultural product is the sum of properties of the product that makes it possible to generate revenue on a large scale. Cultural commodities in each market therefore tend to have the roughly same physical dimensions, allowing them to be stacked together in shelves, for example, or to use standardised file formats, or allowing them to be reproduced on the same hardware. They might be roughly the same length of time, allowing them to be grouped in a schedule.

When considered through the cultural industries functions framework, standardisation in genres, in marketing, pricing and so on are also requirements for the dissemination of cultural products on an industrial scale, and therefore a part of the commodity form. One could even argue that modern intellectual property law turns ideas into commodities by their very existence. The legal protection of the uniqueness, of the “artist’s imprint” of any given cultural commodity, is the first building block of the cultural industries.

Of course, the relationship between the commodity form and the “artist’s imprint” varies from industry to industry, from market to market and between individual products. While publishers generally switch covers for novels not only between markets, but also between editions, record companies rarely change album covers. In other words, an album cover is a part of the text, a part of the artist’s

imprint, while a book cover is simply something that sells the book. While the text is never available to the general public in a non-commodity form – and it could be argued that some commodity properties such as genre are imbued even in text creation – the commodity form and the text of the cultural product are not the same.

Frozen (Buck & Lee, 2013) remains the same text whether it is seen in theatres, on Blu-ray or on Disney+ even if the commodity form changes. Homer's *Odyssey* remains the same text whether it is published in a blue and gold hardcover with classical Greek artwork on the front or in paperback editions with George Clooney's face on the cover and marketed as "the story behind O'Brother where art thou?".

That is not to say that commodification is in any way a neutral process. The difference between creation and commodification is one of intent. The localisation of *Frozen* involves a number of artists that translate and record local language versions. However, the intent of localisation is not to create a new movie, but to sell *Frozen* in more markets.

In the most industrial and commercial end of the cultural industries the commodity form of the text can even be said to predate the actual text. At the time of writing there are several "Untitled Marvel" films and television shows upcoming - one even with a set release date that will pass before this thesis is published. The commodity form is already built, and all that is left to the creators is to furnish it with text.

Chapter 2: Ethics & Methods

The ethics of methods

“The problem with media scholars”, a professor of pedagogy told me during my first week as a PhD candidate, “is that they *like* the media”.

Personally, I would not feel comfortable admitting I “like the media” in such broad strokes. Perhaps because I’m old enough, and left-wing enough, to remember when questions about mainstream media were more about how to curtail their powers than how to protect them from the even less transparent and democratic “social” media giants. I do, however, love movies, and I do admire anyone who makes them.

After about six months as a PhD candidate, I attended a symposium on media industry research in Bristol. Among the research projects presented were studies on independent production companies, the media hub of Bristol, working conditions of Bristol-based media freelancers, the experiences of first-time feature film producers and my own PhD project on the challenges the Norwegian film industry faces in digital movie markets. One common thread among these projects is that they all chose *not* to analyse the actual media texts produced by these various companies. In other words, there was no examination or evaluation of the quality or merit of the output. However, there seemed to be an implied evaluation of this output as a positive in the choice of research subjects.

In their “In defence of a political economy of the media,” Meehan and Wasko argue that the work of scholars in “critical media industries” is “celebratory” rather than “critical”, and that “critical” and “celebratory” approaches exist in opposition to each other” (2013, 40). I contend, however, that this opposition between the theoretical approaches discussed in the previous chapter is not theoretical at all, but ethical and ideological. It is less a question of what the critical media industries,

cultural industries research or political economy approaches *can* achieve, but what their proponents *want* to achieve.

According to Helen Longino, “members of the research community often exhibit the same social values and ideologies inherent in the social context within which the research takes place” and “researchers ought to attend to the way contextual values, especially gender bias and racial bias, occur in research” (1994, 139).

So while I might not agree with the professor of pedagogy that the problem with media researchers is our enjoyment of media, it is certainly important that I as a media researcher try to be aware of the values I bring into my research. This includes my love of movies and admiration of those who make them, as well as my age (44), my gender (cis male), my class background (middle), and my upbringing in the less-than-central parts of a small European nation with relatively limited cultural production.

I do share Meehan and Wasko’s view that research is political, and my hope is that this work will have impact. I hope to not only extend scholarly knowledge about what happens when a small nation is beset by global media giants, but also to contribute to the continued and improved health of the Norwegian film industry and to sound cultural policy. This is clearly an ethical, even moral, statement that puts me and my research at odds with what Longino calls “standard ethics”.

In her article “Gender and Racial Bias in Scientific Research” Longino challenges a “standard conception of the relationship between science and values” in which contextual values are considered external to scientific inquiry and to introduce them is considered bad science (1994, 139). Ethics is likewise understood as an external regulating factor on scientific practice and concerned primarily with avoiding harm and/or bad science.

Yet, Longino argues, “[n]ot all ethical or value issues are external to the productive aspects of research”. This transforms ethics from “relatively

straightforward questions regarding what counts as reasonable constraints (...) to more elusive and complex problems and assessing the background values and of empirical knowledge claims." (1994, 140)

In returning to the projects presented at the symposium in Bristol, we can see shared contextual values, primarily in the questions posed and in the research practices. All projects aimed to examine different aspects of what we could consider precarious actors in the media industry – they were all small and/or regional in an increasingly globalised media industry. While such research need not necessarily be explicitly value-laden, they imply that these precarious parts of the media industry produce content worth supporting or protecting.

Eva Bakøy, Roel Puijk and Andrew Spicer – the latter two present at the Bristol symposium – discuss similar questions in their introduction to *Building Successful and Sustainable Film and Television Businesses*. While acknowledging that the collection's "focus on 'success' might be unduly celebratory", they argue that the companies they study are "struggling entrepreneurs that contribute to diversity" and that this calls for a "sympathetic (...) while far from uncritical" attitude (2017, 4).

The various contributions in *Building Successful and Sustainable Film and Television Businesses* share another commonality with the research presented at the Bristol symposium; they were mainly based on interviews with industry professionals. Some of these built on existing networks, either from the researchers own professional backgrounds or networks developed from previous research.

It is because of this closeness that Meehan and Wasko argue that this line of research is "(ultimately) a celebration and reaffirmation of the status quo" (2013, 49) and that researchers must lose the "political" aspect of "political economy" to be able to establish working relationships with the media industries (Wasko and Meehan 2013, 156).

There is a danger that the values, questions, and practices of media industry researchers can cause them to view themselves, or act as, a semi-independent

support system for the media industry. The idea that humanities research should support the creative industries certainly has support among governments. In June 2019 David Hesmondhalgh tweeted an image of a section of the new Delivery Plan from the UK Arts and Humanities Research Council (AHRC) that included the following quotation: “The creative industries stand to AHRC as the healthcare system does to biomedical research (...)”. To which Hesmondhalgh responded, “Anyone else troubled by this language?” (2019b)

Am I troubled by this language? Does my love of movies and admiration of the people who make them cloud my judgement? I cannot speak for the whole of media industry research or even a small symposium in Bristol. However, when examining my own PhD project, it is clear that at least this researcher does see his research as something that could and should support at least one small part of the media industry. The research questions I pose are thus clearly influenced by my values as someone who wants to support a Norwegian film industry threatened by global American giants.

The same could be said about my choice of methods. By choosing qualitative interviews with industry executives, I obviously believe their perspectives are valuable and that insights from industry actors can be useful in developing theory, and ultimately also media policy and/or strategy. This choice of methods has, however, also affected my perspective. While I remain personally uninterested in most Norwegian blockbusters and popular comedies, this research project has made me more sympathetic to the difficulties faced by commercial movie creators in a small market like Norway. So, in spite of my goal to undertake research situated in the “critical” tradition of political economy research, I clearly also run the risk of conducting and producing the kind of research Meehan and Wasko consider “celebratory”.

Longino encourages researchers to explicate values that might otherwise be left implied or simply assumed, which is vital to highlighting the dilemmas outlined

above, but she does not offer further guidance in solving them. In her book *Science, Policy, and the Value Free Ideal*, Heather Douglas tackles the often messy interactions between scientists and policymakers. On one hand, she rejects the idea that science “provides certainty” and points to feminist researchers like Longino whose work centres the ways societal values influence the creation of scientific knowledge. On the other hand, Douglas argues that despite not being able to claim certainty, “science has been stunningly successful as the most reliable source of knowledge about the world” (2009, 2). For Douglas, the question of implicit values thus becomes a moral one. Scientists have a moral obligation to consider the possible consequences of their policy advice and possible errors in their work, but these considerations should also take into account the potential consequences of inaction (2009, 66, 70). When faced with uncertainty, and only then, Douglas argues, do “social and ethical values have a legitimate role to play when deciding, based on the available evidence, which empirical claims to make” (2009, 81).

In the end, I come to similar conclusion regarding my own research. No theoretical or methodological choice insulates a researcher from having to make decisions based on “social and ethical values”. Using methods and asking research questions that put researchers close to media industries practitioners and companies, and/or that tries to understand their perspectives, does not inevitably result in “celebratory” research. Moreover, such subjects can provide insight that cannot be derived from other sources – especially when studying small markets like the Norwegian movie market.

While all Norwegian distribution and production companies are small in the face of the global industry, but are vast differences between the them. If my aim is to be able to give policy recommendations based on my research, it cannot be taken for granted that such recommendations would be good for every company. If so, would I be inclined to give recommendations that favour the companies I have studied directly? Or companies that have been involved in movies I like personally, even if

my research is not considering the films distributed? Would I consider the smallest and most precarious companies as the most important ones, or the larger ones that make the most popular movies? Douglas' principles, applied to my project, would prevent me from deliberately skewing the research to favour certain companies, but if faced with uncertainty I would be allowed, or even expected, to make a moral/value-based judgement on the possible outcomes.

The data

This thesis uses both quantitative and qualitative data from historical sources, interviews, and observations.

Historical data

A large share of part 2 and elements of part 1 are based on quantitative data about Norwegian film distributors during the period 2008 to 2018. This data was collected from various sources and assembled into databases that have allowed for various cross analyses.

2008 was chosen as a starting year because it was a commercial breakthrough year for the Norwegian film industry²³. It was the first time in more than 30 years that the Norwegian movies sold more than 2.5 million tickets²⁴, and since 2008 yearly admissions have continued to average 2.5 million.

The historical data were provided by several sources. Data on cinematic releases and admission numbers were provided by the industry association Film & Kino. A database of titles released in the Norwegian home entertainment market was provided by the Norwegian Media Authority. Data on genre and length of Norwegian cinematic releases were provided by the ticket sales and film promotion

²³ 2006 could have been chosen as an artistic breakthrough as both *Reprise* (Trier 2006) and *Den brysomme mannen* (*The Bothersome Man*, Lien 2006) premiered at the Cannes festival.

²⁴ In Norwegian cinemas. While income from Norwegian movies abroad also rose sharply in the period, it has remained "very modest" (Moseng 2017).

portal Filmweb.no. Release dates for DVDs and Blu-rays released after 2015 were provided by Platekompaniet, a leading national retailer.

The Norwegian Film Institute (NFI) provided the empirical data for a series of reports on the availability of Norwegian films on various TVOD and SVOD platforms, as well as data about support awarded to production companies between 2012 and 2016 and support awarded to distribution companies after 2013. I also collected more detailed admissions numbers from filmweb.no, using a web scraper. Further details on data and methods are included in the appendix.

Interview data

Chapter 5 consists of two case studies based mainly on interview data. For the first case study, I conducted 11 interviews with key personnel in two major Norwegian distribution companies, SF Studios and Nordisk Film Distribusjon. These companies released about half of all Norwegian titles in 2019, and took in 84%²⁵ of Norwegian title admissions. The interviews were performed on a quarterly basis from early 2019 until summer 2020.

The second case study examines the release of the film *Barn (Beware of Children, Haugerud 2019)*. For this study, I did group interviews with the producer, the distributor, and the home entertainment distributor. I conducted four interviews with this group, although only the producer and distributor were present at the first one. The interviews were conducted before the cinematic release, right after the home entertainment release, six months after cinematic release and 18 months after cinematic release.

All interviews were conducted in Norwegian, and the selected quotes have been translated to English. In these translations I have prioritised tone and intent over literal meaning.

²⁵ Nordisk Film Distribusjon took in more than half of all admissions for Norwegian movies in 2019 alone.

Observational data

According to Matthew G. Kirschenbaum (2021) all digital data is simply a long stream of bits – 0's and 1's – that are temporarily called into action as text, sound, images, numbers, and so on. While the data I have collected using observation is technically no more or less digital than the historical data, this image of “the bitstream” resonated with me as I tried to gather data that was only available to me from the internet.

While I had numerous sources of data on cinema and physical releases, there was no paper trail for digital releases. Finding digital release dates was impossible without insider access. There was, additionally, no public sharing of sales figures²⁶. During the first interviews, it became apparent that the distributors themselves had no information about *discoverability* and *prominence* of their own titles on digital platforms. Data that are publicly accessible through advertising, cinema listings, and charts for movies released in physical formats decades ago now, at best, require insider access after mere moments.

Kirschenbaum also describes the bitstream as “the vast sea of digital data we encounter every day (2021, x). From my perspective, this bitstream quickly became a river, and it became apparent that unless I started some sort of systematic observation, the data would pass me by and never be accessible again²⁷.

I first attempted to automate observations with a web scraper. In August 2019, I began using a web scraper to download the iTunes and Google Play Store top charts for movies to a spreadsheet. However, in October iTunes removed the top charts from the apple.com webpage; this information was now only available in the iTunes Store app, which I was unable to scrape. I continued scraping the Google

²⁶ A best-seller chart for the Norwegian TVOD/EST market, *Filmtopplisten*, was launched in 2021.

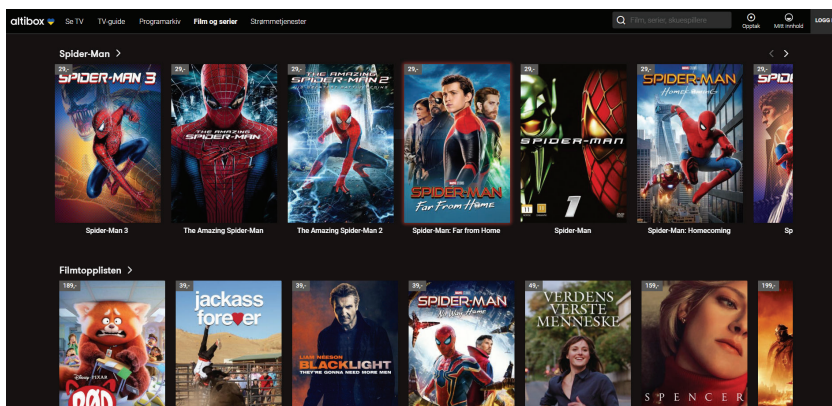
²⁷ This was, unfortunately demonstrated as I, for a period of four weeks in 2020, forgot to note the iTunes Top Charts.

Play Store until November 2019. At that point, no non-Hollywood title had yet to breach the top 60 list, and I concluded this data was not relevant to this thesis.

I also used a web scraper to examine the *prominence* of movies in the home entertainment market. However, these efforts were unsuccessful because the web scraper read the underlying code of the web page, and not the screen presented to a user (see also Berry and Fagerjord (2017, 126)).

In the end, I turned to manual observations to build two databases. One charted release dates for all Norwegian movies debuting in 2019 and was used to calculate release windows. The other contained observations of Norwegian titles across several home entertainment platforms and was used to analyse prominence and pricing. Since data not observed would be lost, I began observations before I completed the framework for the latter database. As a result, more services and more detailed information was added as the observations progressed, which forced me to use slight variations in how the data is analysed in the two case studies.

In its final form, the database drew largely on Catherine Johnson's article "Beyond catch-up" (2017), in which she depicts the basic interface of the ITV player as a table. Every home entertainment platform I observed used a similar grid-based layout as the ITV player Johnson examined, so a similar approach could be adopted. When viewed as a table, any title's position within a grid-based layout could be described in a spreadsheet, and thus used for quantitative analysis.



The above screenshot, taken a few rows down to find a Norwegian title, would be represented like this:

Week No.	Year	Date	Service	Category	Title	Row	Rank	out of	VOD Price	EST Price	SVOD
20	2022	20.05.2022	Altibox	Spider-Man	No Norwegian titles	10		9			
20	2022	20.05.2022	Altibox	Filmtopplisten	Verdens verste menneske	11	5	9	49		

Methods

While most of the theoretical grounding of this thesis is found in cultural industries studies, a field with its roots in sociology, the methodology is rooted in the humanities. Many of the steps along the way utilise concepts and methods from other relevant fields, but the data are ultimately read in an effort to create concepts that advance understanding. Throughout the writing of this thesis, theoretical concepts have been applied to the empirical data in ways that have given me a stronger insight into the data, which in turn has improved the framing of the concepts I developed. Thus, in a hermeneutical fashion, the theory and the data feed into each other.

Time and space

Choosing to write this thesis as a monograph rather than the (in Norway) currently more popular article-based thesis was a methodological choice. A monograph offered more time to collect data and more space to present the findings.

Some readers might find that I've used more of that space than necessary on details that they dismiss as descriptive. I contend that in part 2 of this thesis I present not only new material, but also a subject that has not been given scholarly attention before now. In this context it was important for me to present material in ways that not only opened my work for scrutiny, but also be of use for further studies.

Norway is also a small nation in terms of film industries studies, and there are many aspects that lack comprehensive studies. I'm very aware of how crucial seemingly irrelevant details and asides in the work of others has been for me, and perhaps this thesis can leave some valuable nuggets for others to find. In Bent Flyvbjerg's words, "the goal is to allow the case to be different things to different people" (2006, 238).

By writing a monograph, it was also easier for me to extend the data collection period to the point where I could follow all Norwegian movies released in 2019 throughout their first year in the home entertainment markets. I could also extend the period of interviews, which ended up covering about 18 months.

Ryfe (2016) discusses the importance of spending time in media production research, and how current policies and practices in academia prevent this. Even though my research interviews are far less time-consuming than the kind of ethnographic research Ryfe discusses, I was aware that opportunities to extend a data collection period like this might not come too often.

I had also spent time with Norwegian distributors before the work on this thesis began. I interviewed informants from SF Studios²⁸, Arthaus and Euforia for

²⁸ Then SF Norge

my master's thesis (Øfsti 2011a). I have also written for Rushprint, the Norwegian film industry trade magazine, both as an academic commentator and as a paid freelance journalist. This work put me in frequent contact with distributors and others in the Norwegian film industry.

During the period I was working on this thesis I spent time with the Norwegian film industry separate from the research interviews. Pre pandemic I attended film festivals and other industry gatherings when possible, and was able to talk with distributors, NFI and others in semiformal settings. All of this helped me get the access to distributors that I needed for my chosen methods.

Levels of inquiry

In part two of this thesis, the analysis employs three different perspectives. In chapter 4 I analyse the strategies of all Norwegian film distributors using mainly quantitative data from the period 2008 to 2018. This analysis moves between a macro level, where the changes and strategies are considered as a whole, and a meso level, where the strategies of individual and smaller groups of companies are analysed.

In chapter 5 I present two case studies. The first examines the 2019 slate of the two major local distributors, SF Studios and Nordisk Film Distribusjon. This case study uses quantitative, observational and interview data and moves between a meso-level analysis, where companies are analysed and compared to the other distributors, and a micro-level analysis, where individual films and specific decisions are discussed. The second case study stays at a micro level and follows the release and reception of a single movie, Dag Johan Haugerud's *Barn*, using qualitative and observational data.

Quantitative methods

While I hesitate to call this work "digital humanities", it is certainly inspired by work in the digital humanities such as Berry and Fagerjord (2017), and Ross, Grauer and Freisleben (2015). I hesitate because "digital humanities" hopefully remains a

more meaningful term than “a humanities’ scholar with spreadsheet software”. The data I have collected and analysed is data of a type available for study long before digital tools became common, and several studies of the Norwegian film and cinema industry have relied significantly on quantitative methods (Moseng 2017, 2016, Solum and Asbjørnsen 2008, 2000).

However, the growing field of digital humanities has made me aware of what a single researcher armed with quantitative data, spreadsheet software and basic programming skills can achieve. An influence of what Berry and Fagerjord describes as “computational thinking” (2017 p.52-53) is evident in the way I have organised and shared my data. While my programming skills have limited me spreadsheet software rather than dedicated database software, the data has still been organised according to basic database principles which allowed for cross-referencing data from multiple sources. I have also made all data used, both the sources and all tables, with documentation, available on mariusbax.no/norwayafternetflix.

Using digital tools, I have been able to combine data from several sources, and analyse much more data than I would otherwise be able to. I have also been able to collect data using a web scraper that while public was not available to download²⁹. Most of all, I have been able to perform many calculations and visualisations quickly, allowing me to find relevant patterns and move between theory and data.

However, while my use of spreadsheets became rather sophisticated - several potential approaches stranded on my lack of coding skills. A proper application of a digital humanities approach to my data could for instance examine the degree of blockbusterification by calculating the share of total weekend admissions that the top performing titles took, or map the relationship between admissions and distributors, producers, directors and so on by connecting the data examined in this thesis to databases such as IMDb or Norsk filmografi.

²⁹ See also Lobato (2017) for an example of a web scraper used to examine the Netflix catalogue.

Quantitative data methods were applied to analyse the strategies of Norwegian distributors as patterns and positions (Mintzberg 1987a). More detailed discussion the methods and findings of this analysis is found in appendix.

Qualitative methods

Chapter 5 presents two case studies that examine strategies of local distributors as plans and perspective (Mintzberg 1987a). These case studies augment the broader analysis and bring a deeper understanding to how and why distributors make their decisions. In a Flyvbjergian typology of case studies, the two cases in this thesis can be classified as “maximum variation cases”, “critical cases” and “extreme cases”. Maximum variation cases vary significantly in one dimension, while extreme cases are those that are unusual, and critical cases “have strategic importance” and “permit logical deductions”. In other words, what is true or false in a well selected critical case can reasonably be applied to other instances (Flyvbjerg 2006, 229 - 230).

My cases are “maximum variation cases” because SF Studios and Nordisk Film Distribusjon are the most market-oriented local distribution companies and rely on attracting large audiences, while Arthaus is among the companies with the strongest artistic profile and relies heavily on government support. The three companies vary significantly in size, but are not among the smallest distribution companies in the Norwegian market.

The case study of SF Studios and Nordisk Film Distribusjon was chosen as a “critical case”. Among the distributors that release Norwegian movies they were likely to exert the most circulation power. As part of Scandinavian conglomerates they have access to considerable economic resources and together they distribute about half of all Norwegian movies. If there were strategies that they did not have the resources to employ, or if they struggled in the home entertainment markets, it would be unlikely any other Norwegian distributors could succeed where they had not.

Barn is a film with unapologetically high artistic ambitions that, given its theme and length, was from the outset an unlikely candidate for commercial success. It also turned out to be a “critical case” – during the course of my interviews, the producers revealed that they had tried, unsuccessfully, to launch with a day-and-date release. If cinemas would not agree to a day-and-date release of a movie with high artistic integrity and low admissions potential, it seems unlikely that they would agree to a day-and-date release for more commercial titles where a day-and-date release would be more likely to cost cinemas admissions.

The interviews that generated the qualitative data for the case studies were semi-structured based on an interview guide I had prepared. In each interview systematically discussed each release in the upcoming windows, as well as the performance of each recent release. This allowed me to get a sense of their expectations as well as their experiences close to when the decisions were made. The interviews also made room for more general reflections and discussions on the role of foreign titles.

The informants were what Hanne Bruun considers “exclusive informants”. Exclusive informants are elite informants that give “insight into what is going on backstage” (2016, 134). This makes them irreplaceable; if they do not participate in a study, it cannot take place. While not all potential informants I approached wanted to be a part of the study, enough consented to make it viable.

All informants were given the opportunity to review quotations and were offered varying degrees of anonymity. Bruun argues that anonymity and confidentiality “will harm the validity of the research” (2016, 143). I have, nevertheless, chosen not to name my informants in any of the cases, and have also anonymised several quotations in the first case study.

The decision not to name the sources beyond the companies they work for is mainly a stylistic choice; it is not difficult to identify the producer of *Barn*, for example. However, in the case-based on interviews with SF Studio and Nordisk Film

Distribusjon, I wanted to offer both companies a level of “plausible deniability” for any remarks not directly tied to one of the companies. This was to allow me to use quotations and information from the interviews that the companies might fear would generate negative reactions from third parties. Leaving ambiguity around which of the companies certain statements originated from struck a good compromise between wanting to include the quotations and avoiding harm to the companies.

Only minor revisions to the quotes were requested from the informants – corrections of minor misunderstandings, the removal of identifying details, and minor rewording of statements that informants believed sounded brash in writing. Bruun’s reflection on the different tempo in media industries and media research also came into play here – some information was given to me confidentially during the interviews, but all of it is now public knowledge.

To conclude, Bruun also reflects on the agendas that exclusive informants might possess, arguing that they must “be regarded as part of the research findings” (2016, 142). In many cases in my research, the informants were very open about their agendas, both when they were trying to achieve internal change as well as in the external changes they wanted to see. Nevertheless, in the case studies presented here, I have attempted to separate my analysis from the interview data so that it is clear when the perspective of the informants is presented.

Chapter 3: How the Norwegian film industry works

What makes an industry?

It is only recently that the Norwegian film industry can be characterised as an *industry*. While there has been continuous film production in the country since 1917, it was not until the mid-1990s that it “developed from a cottage industry into a professional business” (Moseng 2017 p, 23).

Some blame for Norway’s struggle to establish a film industry can be placed on the small population, though neighbouring Denmark was a pioneering film nation despite similar population size³⁰. Denmark is both a significantly flatter and smaller, which would have made early film distribution a lot easier. However, Denmark - like Sweden, had something Norway did not. Denmark had Nordisk Film and Sweden had Svensk Filmindustri³¹, both vertically integrated companies that performed all three cultural industries functions.

Around the time that these companies began establishing themselves, first as cinema owners, Norwegian cinemas became municipal. This system had initially been instated as a way to curb immorality by requiring a license to operate cinemas. Most municipalities awarded this license to themselves as a way to secure income (Asbjørnsen and Solum 2003). While it may be a stretch to blame the lack of a Norwegian film industries on municipal cinemas alone, there is no doubt that it removed the possibility of a vertically integrated studio (Iversen 2016).

As argued in chapter 1, the dissemination function, cinemas in this case, has historically been an important starting point for companies that perform the commodification function. While there are no comprehensive studies of the history Norwegian film industry from an economic perspective, there are indications that

³⁰ Norway had a population of 2.6 million in 1920 and 5.4 million in 2022. Denmark had a population of 3.3 million in 1921 and 5.8 million in 2022.

³¹ Now SF Studios

until the 1990s the commodification function was only partially performed by local distributors. What role the Norwegian distributors actually performed in the Norwegian film industry before the 1990s is unclear; they are largely absent from Norwegian film histories, and in the distributors' accounts of their own histories the focus is squarely on their role as sub-distributors of foreign movies. (Haddal and Hoenvoll 2015, Disen 1997).

Before 1990, it seems likely that parts of the commodification process, like marketing, were largely handled by production companies, and that distributors operated more like sub-distributors when it came to local movies as well. There are some indications that at least the two major production companies did a significant share of this work in-house. The dominant, government-owned production company, Norsk Film A/S had a marketing division (Helseth and Moseng 2020) and the most active private production company in the 1960s and 70s, Teamfilm, established their own distribution arm (Helseth and Jensen 2016, Disen 1997).

In the 1990s, this began to change with the establishment of distributors with ties to Norwegian production companies. Norsk Filmdistribusjon was established by spinning off the marketing division of Norsk Film A/S into a separate company in 1990 (Helseth and Moseng 2020). SF Studios³² was established in 1988 by acquiring Synchron film. One of Synchron's employees was John M. Jacobsen, whose Filmkameratene was already on the path of becoming Norway's most commercially successful production company with *Hard Asfalt* (Skagen 1986) and *Veiviseren* (*Pathfinder*, Gaup 1987). SF Norge would become the distributor for most of Filmkameratene's movies (Engelstad and Moseng 2016). The 2000s saw more Norwegian movies being made and more stable private production companies, the need and the opportunities for distribution companies with a stronger commitment to local titles increased.

³² Then SF Norge

While the small size of the country might not have been the only factor that stopped an industry from developing in the early 20th century, it has certainly been a major factor. The domestic market is too small to be viable and Norwegian is not spoken outside the domestic market. Thus, there is no way to finance movies from the Norwegian market alone, and there has traditionally been very little export. This said, the small language group also serves as a protection, ensuring a demand for local language movies that foreign competition cannot satisfy. The Norwegian film industry is therefore, like so many other European culture industries, heavily dependent on cultural policy. A cultural policy push in the early 2000s was crucial in establishing the current industry, “sharing most of its characteristic and challenges with audio-visual industries elsewhere in Europe” (Moseng 2017, 23)

Since the early 2000s, Norwegian film policy has sought to increase the volume and popularity of Norwegian movies at home, improve their artistic merit and win awards at international festivals, all while trying to secure a financially stable industry (Gaustad et al. 2020). This policy has been largely successful. Attendance at Norwegian movies in the domestic market rose sharply in the early 2000s and has since 2008 remained stable at new record highs. While the most prestigious festival awards have remained elusive, it is also fair to say that several Norwegian directors, most notably Joachim Trier, have established themselves as contenders. The Norwegian film industry, like most cultural industries, remains economically unstable, but a number of companies have attained financial stability over the last few decades.

Just as Thompson (2013) and Hennig-Thurau and Houston (2019) have noted of larger and more commercial cultural industries, the Norwegian film industry remains split between companies that pursue either mainly artistic or mainly market-oriented strategies. However, since most market-oriented films also require public funding, both strategies rely heavily on symbolic capital. Producers in Norway, who lead projects’ public funding efforts, therefore have more sway than in

larger and more market-oriented industries, and the influence of distributors is therefore lessened.

This chapter presents the current policy and main characteristic of the Norwegian film industry at the moment. Using the cultural industries framework I further analyse how the different parts of the local film industry has been impacted by digitalisation. Finally I present five “paths” to financing and discuss what role recent policy changes and the emergence of SVOD services play in future film financing.

Current policy

Norwegian film production has always been privately facilitated, but since 1969 it has been largely publicly financed (Iversen 2016). This reliance on public funding makes the Norwegian industry very policy sensitive, as policy changes can very quickly change the conditions for film production.

The current policy regimen was established in the early 2000s in an effort to boost the volume, popularity, and quality of the Norwegian film production. Government funding sharply increased at this time: from NOK 71M in 2001 to NOK 371M in 2010 (Moseng 2016).

In 2006 it became official policy that Norwegian movies should aim for an annual 25% market share in the cinema window and 15% in the home entertainment market. During the 1990s, the cinema market share for local movies had only twice passed 10% (Kulturdepartementet 2007, Film & Kino 2017), and even the record breaking 1975 only saw 20.7% (Film & Kino 1979).

In 2008 this record was broken with 22.8%. The market share remained relatively stable at this level for the next ten years, before reaching the 25% target in 2018³³. Although there are no annual or officially reported numbers for the market

³³ In 2020 and 2021 Norwegian movies reached an even higher market share as the pandemic led to a decrease in Hollywood titles. However, admissions were low as cinemas operated under heavy restrictions. See (Øfsti 2020) and (Gaustad et al. 2021).

share in the home entertainment markets, a 2018 report suggest that this goal was reached by 2016 (Gaustad et al. 2018).

A 2001 reform established the first market-based scheme for public funding, adding to the already established support scheme based on artistic evaluation. In addition to these schemes that offered production funding, an ex post scheme had existed in various forms since 1955 (Iversen 2016). The ex post scheme has always been a market-reinforcement scheme, that semi-automatically awarded funds to producers based on admissions or revenue.

These three schemes, administered by NFI, have for the last two decades been the basis of three main paths to financing Norwegian films. The early 2000s also saw the establishment of regional film funds (Bjerkeland 2015). While these are generally awarded to movies that also receive support from NFI, some filmmakers have succeeded in financing movies with only regional support. In most cases, securing NFI production support has been the first step towards financing a developed project. Recent policy changes have in all likelihood closed *the ex post* path, but as SVOD services have begun financing Norwegian films, a new path appears to be emerging.

While the industry has called for national policy towards SVOD services since 2015 (Lismoen 2015), no policy has been enacted at the time of writing. There have been calls for both a tax, which was recently introduced in Denmark, and a minimum investment level, which a previous Norwegian culture minister announced in 2019. No details were provided, and her right-of-centre government has since been replaced by a Labour-led minority coalition.

Private financing

There are very few private investments in Norwegian movies outside producers' own investments and investments from distributors through the purchase of distribution rights. These, and particularly the latter, have increased after the changes in the ex post scheme in 2010 that have stimulated private investments.

As the *ex post* scheme matches revenue from all sales in the first three years, producers can with relative confidence invest what they expect to receive in *ex post* support later. When distributors buy distribution rights, they offer a *minimum guarantee* (MG). The MG is paid out to the producer, regardless of the actual admissions. Since the MG is revenue from a sale, it will generate *ex post* support, again regardless of the actual admissions. Thus, securing a high MG is very valuable for a producer and often key to securing any financing beyond public support.

When the MG plus the distributor's fee and marketing expenses are covered, the additional revenue is split between the producer and the distributor. In larger markets, this often done through a *production financing distribution* (PFD) deal in which the distributor enters into a project in an early phase and contributes the majority of the financing. In these deals, the revenue split is often 20/80 in the distributor's favour (Crisp 2015, Cones 1996). In Norway, the production company brings in the majority of financing – through public funds – and the split is generally 80/20, favouring the producer (Gaustad et al. 2018).

However, in Norway distributors have first priority in the revenue stream until their investments are recouped. Given the small markets and relatively high MGs, it is therefore rare that Norwegian film producers see any revenue from admissions or home entertainment sales. As with independent producers in other countries, Norwegian production companies therefore make a living by staying in production (Moseng 2017, Engelstad 2017) and Norwegian film industry professionals are generally paid in salaries rather than royalties.

Creation

In Norway, the creation function is performed by a number of private production companies. Distribution companies are also involved through the financing of individual movies or through varying degrees of production company ownership. Film production companies usually have either Norwegian or Scandinavian owners,

in sharp contrast to Norwegian television production companies, which are largely owned by global conglomerates (Moseng 2017).

Since a distribution deal is an essential part of financing, local distributors can have an impact on creation by suggesting edits, casting choices and so on. Gjerdrum (2016) describes how *Tusen ganger god natt* (*1,000 Times Good Night*, Poppe 2013) lost its initial Norwegian distribution deal when Juliette Binoche was cast as lead instead of a Norwegian actor. However, as the producer brings in the majority of the financing, the production company makes the de facto green-light decision.

The policy changes of the early 2000s not only caused a dramatic increase in Norwegian movie production, the publicly owned production company Norsk Film AS was closed down. This paved the way for a new era with increasingly more stable private Norwegian production companies.

There nevertheless remains a high degree of turnover in the industry. Jo Sondre Moseng (2016, 2017) analyses Norwegian film production companies in the period 2004 to 2015. He found that 72 different production companies were involved in the production of a total of 240 Norwegian movies from 2004 to 2015. But only six companies averaged one or more movies each year, and 46 companies only made one movie. Furthermore, some 70 percent of all cinema admissions came from a core group of nine companies.

These nine are split between companies with high production volume and relatively low admissions per title and companies with low production volume and relatively high admissions per title. This split generally aligns with companies aligned with either artistic scheme funding or market scheme funding (plus, when it was an option, those companies that relied on ex post support alone). Further evidence that the creation function in the Norwegian film industry is split between those pursuing artistic strategies and those pursuing market strategies is discussed by Engelstad and Moseng (2014).

Moseng (2017, 24) notes that a handful of Norwegian film production companies have also begun making television series, but that the two industries remain separate. It is unsurprising, he argues, that Norwegian film producers are drawn to television, as this medium offers another way for a company to remain actively in production (2016, 61). As Norwegian production companies rarely see back end profits, the upfront payments from television and streaming services are likely also attractive.

There is little evidence that the massive changes in dissemination of movies in Norway have led to changes in the creation function. However, the emergence of the streaming path as a new way to finance Norwegian movies would introduce significant change in how the creation function is performed if it becomes viable.

Commodification

The commodification function in the Norwegian film industry is primarily performed by distributors, who purchase distribution rights, make and distribute copies to cinemas and home entertainment platforms, set release dates in the various formats, and market movies.

The degree to which Norwegian distributors invest in local movies varies strongly. For some distributors this is a key part of their business, for others Norwegian movies play no role at all. When investing in Norwegian movies they act as *first run* distributors. As first run distributors, they have considerable impact on how the movie is perceived as they create the movie's marketing from scratch. In most cases, this happens in close collaboration with producers and often with outside services such as advertising agencies.

Almost all Norwegian distributors release foreign titles. When working with foreign titles, distributors perform a local commodification function. They adapt the commodity form of the film to the Norwegian market by adjusting marketing, making subtitles and Norwegian language versions, sometimes setting release dates, and making copies available for cinema and home entertainment.

While the split between the artistic and market strategies is less pronounced among distributors than among producers, it is also evident among distributors. However, this split is most evident in terms of the resources they have to invest in and market local movies.

Digitalisation of both cinemas and the home entertainment market brought challenges to the distributors. The decline in home entertainment revenue made them more reliant on cinemas (Gaustad 2019). At the same time distributors, interviewed in 2016, felt that the newly digitalised cinemas were over-booking and under-promoting releases. Distributors also wanted to compensate for the loss of home entertainment revenue by shortening theatrical windows, something the cinemas resisted. They were also struggling to close good deals with the many digital platforms, especially the smaller companies. With the loss of revenue several distributors reduce staff and some only employed one person. Even the local major distributors like Nordisk Filmdistribusjon only had 10 employees (Bakøy and Øfsti 2021).

The loss of revenue also contributed to a decline in willingness to invest in Norwegian movies (Gaustad et al. 2018). This, in turn contributed to the emergence of producer-owned distribution companies such as Mer Filmdistribusjon (Bakøy and Øfsti 2021). While digitalisation has made it possible to distribute movies in cinemas without an established distributor, it has not had a significant impact on the industry.

Distributors in general rely more directly on the market than producers, yet there are some NFI support schemes that target commodification as well. The Norwegian distributors and their responses to the massive changes in dissemination are discussed in detail in part two of this thesis.

Dissemination

The home entertainment market surpassed cinemas in terms of revenue in 1984 (Valle 2009, 112) and remained the main source of income for Norwegian

distributors up until 2012 (Gaustad 2019). For Norwegian movies, however, the market shares in the home entertainment markets have generally been low. With the exception of a brief period when DVD sales were at their peak, cinemas most likely have consistently been the biggest earner for Norwegian movies³⁴. Attempts at non-theatrical movie distribution are very rare³⁵. As in other industries, it is in the dissemination of movies that the Norwegian industry has seen the biggest changes in the last decade. Many of these changes are a result of digitalisation, such as the rise of SVOD services and the decline of physical movie retail.

However, the country's unique municipal cinema system has recently undergone significant privatisation. In the 1960s and 1970s cinema admissions fell as television grew, and as many municipal cinemas began losing money their justification evolved into "public service" (Asbjørnsen and Solum 2003). In the 1980s private cinemas slowly became more common, but municipal cinemas still dominated in the big cities and held the bulk of admissions. In 2014, the running of the municipal cinemas in Bergen and Oslo was handed over to private companies³⁶, and public cinemas no longer had the majority of admissions.

The major private cinema chains are Nordisk Film Kino, owned by Danish Egmont, and Odeon, owned by the American cinema chain AMC. These accounted for 57% of all admissions in 2019 (Film & Kino 2020).

The physical home entertainment market was, until 2013, dominated by a combination of local video stores, record store chains, and sales in supermarket

³⁴ Up to 2010 ex post support was based exclusively on cinema admissions, and could be reduced by revenue from home entertainment. While home entertainment was still important for distributors, it therefore mattered less to producers.

³⁵ The only professional non-theatrical releases were in 2007 and 2008, when SF Studios released a total of six movies about the detective Varg Veum. Every other title was a straight-to-DVD release, while the others had theatrical releases. However, when the second set of six Varg Veum movies were released from 2010 to 2012 all were theatrical.

³⁶ Oslo Kino was sold outright to Nordisk Film Kino. Bergen Municipality sold 49% of Bergen Kino to SF Kino who also took over the running of the cinema. SF Kino was later acquired by AMC and is currently operating as Odeon in Norway.

chains and big box chains (Øfsti 2019). Some of these had foreign owners, such as Free Record Shop and Elkjøp, but most were local chains. The last Norwegian video store closed in 2017, and in 2020 Norwegian record store chain Platekompaniet closed all but one of its locations, leaving Norway almost without specialised physical retail stores for movies (Berge 2017, 2020).

Since 2014, SVOD has dominated the digital home entertainment market in both consumer spend and attention (Gaustad et al. 2018). And since launch, Netflix has been the market leader among the commercial companies; by 2021, 66% of the Norwegian public had access to the service. That same year, HBO MAX reached 30% of the Norwegian public and Disney+ 21%. They were launched in 2021 and 2020 respectively. In 2021 Scandinavian service Viaplay reached 26% and the Norwegian service TV2 Play reached 27% (Schiro 2021).

Market shares for TVOD/EST services are not available. However, informants interviewed for this thesis agreed that iTunes was clearly the most popular EST service. Several other TVOD platforms often mentioned alongside iTunes – Viaplay, SF Anytime and Altibox – were more evenly matched.

The impact of the digitalisation of the home entertainment market was significant for the Norwegian film industry. Not only has the value of the home entertainment market fallen, the Norwegian share in these markets has fallen as well. In 2017, the market share for Norwegian movies and series in the remaining physical video market was 18%, compared to 11% in the EST/TVOD market and 5% in the SVOD market. Revenue generated for the Norwegian film industry that year was split among cinemas at 66.1%, DVD/BD at 11.1%, EST/TVOD at 13.4%, pay TV at 7.3% and SVOD at only 2.2% (Gaustad et al. 2018).

The film policy reforms of the early 2000s reduced the influence of Norwegian broadcasters in the film industry, as well as their incentives to invest (Engelstad 2005). NRK frequently buys screening rights for Norwegian movies, and often in pre-production, but the investments are not significant. In 2014 TV2 attempted to

market its new streaming service with a pre-release of *Jakten på Berlusconi* (*Chasing Berlusconi*, Endresen 2014). The movie, distributed by Euforia, was set to stream a week before the theatrical premiere, but this plan was met with boycott threats by cinemas, and the pre-release was ultimately scrapped. In 2019, however, TV2 made an output deal with Nordisk Film Distribusjon, making their movies available on TV2's SVOD service about nine months after theatrical release (Rushprint 2019). While TV2 has since increased its TV series spending, it has not commissioned any movies directly.

A legacy from the municipal cinema system is that unlike many other markets there has traditionally been little or no divide between the artistic and the commercially oriented cinemas in Norway. Municipal cinemas have tended to operate in accordance with general public service media ideals, where both popular and artistic fare have been given space. The end of their dominance, at least in Oslo, seems to have contributed to an increased division between artistically oriented and market oriented cinemas. In fact, since 2016, Oslo has seen the establishment of three cinemas that show primarily arthouse movies.

Unlike municipal cinemas, home entertainment platforms are generally very commercially oriented, with the exception of a few specialised services with very low turnover. State broadcaster NRK continues to have a broader range of content than the commercial public service broadcaster TV2, but NRK too chooses to centre more commercial fare online compared to its broadcast schedule (Spilker, Johannessen, and Morsund 2020).

The five paths to financing

While the financing of Norwegian movies is closely tied to policy, the various schemes are not suited as analytical categories. Their details can and have changed over the years, some of them can be combined but others not, and they can have significantly different importance in different projects. I have therefore elected to take a slightly elevated look and describe five paths to financing a Norwegian

movie. These paths instead begin with the producers, and how they use the schemes and other sources of financing.

From 2001 to 2021 four distinct paths were employed, the artistic path, the market path, the regional path, and the ex post path. In 2021 NFI announced changes in the ex post scheme that for all practical purposes closed the ex post path. Around the same time a new path, the SVOD path, emerged.

Success in securing funds through three of these –the artistic path, the market path, and the regional path – is contingent largely on the producer’s track record. As each requires successful applications to NFI or regional funds, producers choosing these paths must have the necessary symbolic capital for an application to succeed. While some production companies have financed movies through several of these paths, most tend to specialise in one or the other.

The artistic path is in many cases not dependent on actual market performance; a producer’s past success can be measured in critical acclaim, festival selection, awards, and so on. The market path and the ex post path are dependent on market performance, both as a measure of artistic success and often financially. The ex post path, the regional path and the SVOD path do not rely on NFI funding to green-light production. The only purely market dependent path is the SVOD path, which has still to prove itself as a stable alternative.

The artistic path

Financing movies through the artistic path begins by applying for development or production funding from the NFI according to artistic evaluation. The main artistic evaluation scheme has co-existed with several variants in the last decades. One offered package funding, where producers and directors with very solid track records received funding for multiple projects. Another was aimed specifically at experimental and very low budget movies. Currently the main artistic scheme is complemented by a separate scheme for emerging talents. Funding for documentaries is also covered by the artistic schemes.

In all of these schemes funds are awarded by a film commissioner based on the artistic merits of the project and the track record of the producer. Most projects that eventually receive production funding have initially received development funding. While development funding might be offered several times, all current funds are awarded on a per project basis.

Since producers that specialise in the artistic path cannot depend on revenue from previous projects, it is crucial to stay in development or production at all times. Successful artistic path producers therefore have many NFI funded projects in development at all times, which secures activity even if production funding is ultimately refused.

Through the artistic scheme, up to NOK 35M or 80% of a movie's total budget can be awarded, although in practice, sums are much lower. In 2017/2018 the average amount awarded through this scheme was NOK 6.5M and 37% of the total budget (Gaustad et al. 2018). Producers will generally secure the rest of the funds from European funding programmes, regional funds in Norway, sales of distribution rights, and private investments. Norwegian movies are often filmed in multiple European countries, both to exploit funding and investment schemes that require local spending and to reduce costs by shooting in lower-cost countries.

The artistic path is the most common. A total of 68 films released from 2011 to 2015 were funded by the various artistic schemes.

The market path

Financing movies through the market path begins by applying for production funding according to market criteria. To apply for the market scheme a project must have an estimated audience of 150,000 or more. The funding decision is made by a panel that evaluates the project's commercial potential in competition with the other current applicants. If all other factors are equal, preference shall be given to projects where women occupy significant roles such as director, producer, or writer.

Some 17 films released between 2011 and 2015 were funded through the market scheme. This is a pure production scheme that does not offer development. Occasionally projects that are developed with funding from the artistic scheme end up with production funding from the market scheme, but most market scheme projects are developed in-house by the production companies using capital earned from previous projects.

At the time of writing, the market scheme can award NOK 8M for movies with an estimated audience of 150,000 or more and NOK 12M for movies with an estimated audience of 250,000 or more. While up to 50% of a movie's total budget can be awarded, in practice grants are, again, usually much lower – in 2017/2018, for example, the average amount awarded in the market scheme was 27% of the total budget (Gaustad et al. 2018). For these projects, the remaining financing is typically secured in much the same manner as with artistic projects, although sales of distribution rights and private investments make up a larger share of the total funding.

The ex post path

Financing movies through the ex post path was prior to 2021 the only path that did not require any production funding from NFI. While all Norwegian movies can receive ex post support, the ex post path describes movies that were privately financed with the expectation that the producer/investors would receive ex post support after the movie was released. If the movie did not pass the admissions threshold for ex post support that investment would be lost.

Up to 2021 the ex post path was the only real path to financing Norwegian movies that did not require production funding from NFI. While all film financing in Norway calculates with the ex post support, the ex post path projects have been initiated without other sources of public funding. Some 51 films made without NFI

support were released between 2011 and 2015³⁷. Most projects that have attempted this path have failed economically. However, there have been some significant successes such as *Filmkameratene's Børning* (Bræin 2014) and *Børning 2* (Bræin 2016)³⁸.

The *ex post* scheme matches revenue from all windows during the first three years after theatrical premiere, as long as a certain threshold of cinematic admissions is reached. From 2010³⁹ to 2021, revenues were matched 200% for children's movies and 100% for other movies. In 2021, this was reduced to 150% for children's movies and 75% for other movies. The thresholds for eligibility have also been increased. Originally at 10,000 admissions, they are currently at 35,000 for films financed through the artistic scheme and 50,000 for films financed through the market scheme.

More significantly, only projects that have received NFI funding, or significant regional funding, are now eligible for *ex post* support. While this change is too recent to have had measurable effect at the time of writing, it will likely close the door for the *ex post* path.

The regional path

While all Norwegian movies can apply for regional funds, the regional path describes projects that use regional funds as their main source of production funding.

There are four regional film funds in Norway, all of which require a share of the production budget to be spent within the region. In most cases, regional funds come in addition to NFI funding, but in some cases films are financed primarily through regional funds. In some cases, producers can finance a movie by combining

³⁷ It is very likely that several of these received regional support, but the NFI data used does not include this.

³⁸ Despite attracting large audiences, 382,000 and 440,000 respectively, producer John M. Jacobsen claimed the movies lost money and sought market scheme funding for *Børning 3* (Nordseth 2018).

³⁹ Prior to 2010 the support was only based on cinema admissions.

grants from several regional funds. Further finances in the same manner as above, though usually on low budgets.

Prior to 2021 the difference between the regional path and the ex post path was the degree of regional support. As such they were not mutually exclusive, and the regional path could be considered a variation of the ex post path. However, projects with significant regional support are still eligible for ex post support after 2021. Thus the regional path will be the only path to ex post support that does not require the pre-approval of NFI.

The SVOD path

At the time of writing, the SVOD path is still emerging, and while it is promising, it is too early to tell if it will become viable. In 2020 *Kadaver* (*Cadaver*, Herdal 2020) premiered on Netflix as the first Norwegian film fully financed by a streaming service. In 2022 Netflix followed with *Blasted - Gutta vs. Aliens* (*Blasted* Sofiedal 2022) and the high-profile and high-budget *Troll* (Uthaug 2022) premieres on the same service later this year. The Scandinavian streaming service Viaplay has financed *Gulltransporten* (*Gold Run*, Bræin 2022), which is also expected to be an exclusive release in 2022.

Streaming services might also become a significant source of additional financing for movies made with support from the artistic or market schemes. Netflix bought the first home entertainment window for *Børning 3* (*Asphalt Burning*, Bræin 2020) and *I onde dager* (*The Trip*, Wirkola 2021) for what was likely a significant amount in a Norwegian home entertainment context (Skrede, Bjørhovde, and Kifle 2020). Viaplay has co-financed the documentary *Vegg, Vegg, Vegg* (Treimann & Gulliksen 2022), as well as Dag Johan Haugerud's upcoming trilogy movie *Sex, Drømmer og Kjærlighet* (*Sex, Dreams & Something Stupid Called Love*, Haugerud 2024), and will screen the movies after their cinematic runs.

If the SVOD path becomes a viable solo funding path, it will be the first time since the 1950s that Norwegian movies are made wholly without public funding.

However, this shift will also involve significant changes to the producer’s role compared to the other paths because the SVOD service is both the main financier and has the power to initiate and green-light projects.

Power moved

In chapter 1, I argue that digitalisation of home entertainment and the rise of SVOD services not only led to a loss of revenue, but also affected the logic under which film operates. However, while this affects all of the film industry it has an additional impact in countries like Norway where foreign films has a large share of the admissions.

A substantial amount of the local distributors’ revenue came from foreign movies in the physical home entertainment market. Yet, as the digital market took over it was not only a smaller market, it was a market that did not need local distributors. When Hollywood studios release movies in the Norwegian digital home entertainment market, they don’t need boots on the ground. The necessary mouse clicks can be performed anywhere in the world. As a result digitalisation has caused large parts of the Norwegian film industry’s value chain to move abroad.

Table 4: Physical dissemination of films in Norway

Function	Norwegian films	Foreign films
Creation	Norwegian production companies for mainly Norwegian audiences	Foreign production companies for international audiences
Commodification	Norwegian distribution and production companies	Norwegian companies and local offices of foreign companies
Dissemination	Cinemas and stores in Norway	Cinemas and stores in Norway

Table 5: Digital dissemination of films in Norway

Function	Norwegian films	Foreign films
Creation	Norwegian production companies for mainly Norwegian audiences and/or international streaming audiences	Foreign production companies for international audiences
Commodification	Norwegian distribution and production companies, sometimes with foreign intermediaries, or foreign distribution companies	Norwegian or foreign distribution companies
Dissemination	Mainly foreign platforms	Mainly foreign platforms

When dissemination of films had at least some physical component, such as an actual cinema, all three cultural industries functions were to some degree performed in Norway. When dissemination becomes entirely digital, these functions are increasingly performed by global companies, reducing the relative circulation power of the Norwegian industry.

This loss of circulation power is evident in the lower market share Norwegian movies have on digital platforms. In other words, it did matter for Norwegian movies that they were – once – sold by Norwegians in Norwegian stores.

Conclusion part 1

Terje Colbjørnsen argues that digitalisation should be “understood as a cultural-technological process” as opposed to digitisation, which he understands as “the production of digital content, or the conversion of analogue to digital content” (2015, 19). For the Norwegian film industry the effects of digitalisation were less about the digital content, than how digitalisation changed the dynamics between the local and the global film industry.

Ramon Lobato (2019) argues that one of the distinct features of Netflix compared to broadcast television is that it is a global, transnational service. While the impact, and catalogue, of Netflix varies across the globe, it is recognisably the same service everywhere. Netflix’ aspirations are certainly global, and a large part of the company’s Originals strategy is to secure global rights.

Netflix’ transition to a SVOD service allowed it to become a global company in a way that previous distribution technologies could not. Internet-based distribution, whether for movies, music, or news, remove the need for local facilitation and enable greater globalisation. However, this globalisation is also American. Even if Netflix’ content is far more diverse in terms of countries of origin than the output of Hollywood studios, the revenue stream ultimately ends in California.

While American content crossed borders before as well, technology was a limiting factor. Television programming was facilitated by local broadcasters and Hollywood relied on local distributors, local cinemas, and local video stores for distribution. When a Disney film is screened at a local cinema, Disney must share the revenue. When a Disney film is a Disney+ exclusive, nothing is shared, and audiences might choose to stay home. When an HBO show is purchased by a local broadcaster, it generates viewers; when it is an HBO MAX exclusive it is in direct competition with that broadcaster. Now, what used to be a source of revenue for those local broadcasters, cinemas and video stores is now suddenly competition. For the digital global American film industry SVOD services allow them to once again

build vertically integrated silos where they can dictate the terms of prominence, financial and legal availability and any content created by outsiders will always be at a disadvantage.

As the streaming logic became the dominant logic of the home entertainment market, it changes from a publishing market to a flow market. A market in which the logic favours individual movies over TV series gives way to a market where the logics favour series more than individual films; a market where a national player could be big locally (both as a part of the national value chain and as a local part of a global value chain) gives way to a market vertically integrated on a global scale; and a market where the points of dissemination are local gives way to a market where the point of dissemination are both individualised and globalised.

Colbjørnsen's study on Norwegian publishers and their responded to digitalisation found that they were largely able to maintain the status quo. While their passive responses had not succeeded in "building a strong market for ebooks" in Norway, they had been able to keep "Amazon and other international competition at bay" (2015)⁴⁰. For local film distributors however, the status quo seems already lost.

⁴⁰ Which, seen from the perspective of 2022 must be considered a clear success as they have, although to varying degrees, been able to build a strong market for digital audiobooks.

Part 2: Strategies

Introduction Part 2

There is a gap between the strategy research done by media and cultural industry researchers and the work done by strategy researchers in business studies. In the media and culture industry research, the term “strategy” is often vaguely defined. This hampers the development of a deeper understanding of strategy in the cultural industries, even when the findings and analysis are solid.

In business studies, strategy is often normative rather than descriptive and aimed at improving strategic choice, while cultural industry research mainly wants to understand the industries. When business studies researchers discuss strategies in the cultural industries, they are also often focused purely on the economic side and ignore the other reasons for producing cultural expressions. In this thesis, I hope to bridge this gap by bringing terminology from descriptive strategy research in business studies into the cultural industries field.

One reason to attempt to bridge this gap is that the existing cultural industries theory on strategy is largely adapted to large markets. In chapter 1 I argue that several of the key strategies identified in the literature are unlikely to be applicable to the Norwegian film industry.

Increased production value and heavy marketing

Norwegian movies are incredibly cheap to make compared to movies made in larger markets. The entire 2019 slate had a budget of NOK 550M and included movies in costly genres such as historical drama with *Amundsen* and *Spionen* as well as the fantasy adventure *Askeladden i Soria Moria slott*. It still only equalled about 15% of *Avengers: Endgame* (Russo & Russo, 2019). The highest ever budget of a Norwegian movie is reportedly the upcoming war drama *Krigsseileren* (*War Sailor*, Vikene 2022), which at NOK 100M would have a production budget comparable to *Book Club*

(Holderman 2018) and *If Beale Street Could talk* (Jenkins 2018), neither of which would be described as high-budget. In fact, the average budget for a Norwegian movie in 2016 was only NOK 24M⁴¹ (Gaustad et al. 2018). Average budgets had remained at between NOK 15M and 20M from 1999 to 2015, despite general cost increases (Moseng 2016).

Table 6: Budgets and admissions for Norwegian movies released in cinemas in 2019

Norwegian title	Admissions	Minimum marketing budget (NOK)	Reported budget (NOK)
Snekker Andersen og Julenissen: Den vesle bygda som glømte at det var jul	418,891	4.2M	28.2M
Askeladden - I Soria Moria slott	261,217	4.2M	60-70M
Kaptein Sabeltann og Den magiske diamant	256,916	4.2M	38-45M
Tunnelen	221,269	4.2M	34.5M
Amundsen	209,485	4M	75M
Psychobitch	106,497	3.4M	16M
Ut og stjæle hester	105,685	4M	39.4M
Operasjon Mumie	101,505	3.6M	
Spionen	81,501	3.6M	52.8M
Håp	46,667	3M	28.5M
Disco	42,429	2M	8M
Brillebjørn på ferie	41,091	1M	
Born2Drive	33,733	3.2M	15-20M
Astrup - Flammen over Jølster	26,769	1.2M	11-12M
Barn	21,942	1.5M	19M
De dødes tjern	17,628	1.8M	18M
Villmarksbarna - En eventyrlig reise	15,256	900,000	3.5M
Kamel	12,255	1.2M	6.7M
Swingers	10,096	2M	
Jeg ser deg	5,449	800,000	5M
Hvor man vender tilbake	2,217		1.8M
Tønes	1,962		1M
Fuglane	1,578		456,957
Hjelperytteren	1,544	2.2M	8M
DU	475		100,000

Despite the low budgets compared to US movies, the differences between budgets is considerable. Even if we exclude documentaries, the most expensive 2019 title,

⁴¹ I found no recent recognizable US titles at this budget level, but an older comparison is the \$2.6M budget for *Friday the 13th Part IV: The Final Chapter* (Zito 1984).

Amundsen had almost ten times the budget of *Disco* and *Hjelperytteren*. However, we see little correlation between production budgets and admissions in 2019.

Marketing budgets are more closely connected to admissions, but again it does not seem possible to achieve success by spending alone. Several movies with shoestring production budgets and no NFI marketing support, received higher admissions than *Hjelperytteren*.

While marketing budgets for Norwegian movies are not made public, NFI's marketing support scheme requires producers to match NFI funding. In 2019 this was capped at NOK 2.1M⁴². While the marketing budgets for some of those titles surpassed NOK 4.2M⁴³, marketing budgets nonetheless remain low compared to production budgets.

More extensive study may, of course, reveal a greater correlation between high admissions and high budgets. But from the 2019 data it seems that while increasing budgets can increase admissions, it also comes at a higher risk.

Overproduction

The most active Norwegian production companies release one or two movies each year (Moseng 2017). Distribution companies have a higher volume, but even the company that invested in the most Norwegian movies, Nordisk Film Distribusjon, only averaged seven Norwegian releases per year from 2008 to 2018. By that measure, it seems unlikely that neither Norwegian producers nor distributors can use overproduction to reduce the risk of local productions.

While overproduction does not seem like a viable strategy on a company level, the increase in Norwegian titles since 2000 has brought not only an increase in admissions, but also an increased stability. From 1979 to 1999 the number of films

⁴² In 2022 it was raised to NOK 2.5M.

⁴³ See chapter 5.

produced was generally low, between five and 18 a year. The total attendance for Norwegian movies was also low, averaging at around 1 million tickets sold.

There is also little or no correlation between the number of films released and the attendance of any given year. In this period 1979 and 1989 were the best years for Norwegian movies with 1.7M and 1.6M admission from 12 and 10 movies respectively. However, the worst years, 1994 and 1997 saw only 667,000 and 616,000 admissions from 13 and 10 movies. Admissions could also vary wildly from year to year, as high admissions were usually caused by one or two unusually successful movies. In 1995 admissions for Norwegian movies reached almost 1.4M, more than twice the year before - and then fell to 776,000 in 1996.

In the early 2000s, new government policies and a greater professionalisation of the industry led to an upturn in Norwegian film production. Starting in 2002 there was a notable increase in the national production, and from 2004 onwards, between 20 and 36 Norwegian movies were released every year⁴⁴.

Total admissions for Norwegian movies also rose, and in 2003 the 2M barrier was broken for the first time since 1975⁴⁵ (Film & Kino 1979). The yearly variations remained strong up to 2005, but as the number of yearly titles increased the total admissions stabilised. The most remarkable about 2008 is not that broke the 2.5M barrier, but that admissions remained stable at this record level.

While the success of Norwegian movies since 2008 cannot be reduced to a question of production volume alone, figures 3 and 4 suggest a connection. As long as there have been at least 22 Norwegian movies in cinemas, admissions have averaged 2.5M. However, more than 22 movies do not seem to have any further effect. While this suggests that overproduction can function as a strategy to achieve

⁴⁴ 27 Norwegian movies were released in both 2020 and 2021, despite the COVID-19 restrictions that closed cinemas for significant parts of both years. (Film & Kino 2022)

⁴⁵ It was only the third time in history Norwegian movies had reached 2M admissions. 1974 saw 2.6M admissions and the 1975 record of 3.3M admissions remains unbroken.

stability, the number of movies needed suggests this is not possible for Norwegian production or distribution companies alone.

Identifying strategy

Yet, even if key strategies are not available to local distributors, they continue to exist. The question of what their strategies have been and how they have adapted to digitalisation must then start with the distributors.

Defining distributor

A definition of Norwegian film distributors could use several different criteria for defining either “Norwegian” or “film” or “distribution”. A “Norwegian” distributor might be: (1) A company that distributes films in Norway. (2) A Norwegian company that distributes films. (3) A company that distributes Norwegian films. A “film” distributor might be: (1) A company that distributes films in cinemas. (2) A company that distributes films online. (3) A company that distributes films on DVD/Blu-ray. A “distributor” might be: (1) A company that imports film. (2) A company that invests in local film. (3) A company that markets films.

This thesis defines “Norwegian distributors” as companies that distributes films in Norwegian cinemas, and “local distributors” as distributors who release Norwegian movies in Norwegian cinemas. This distinction allows differentiating distributors based on their function in the local film industry rather than their country of origin.

Defining Norwegian distributors as only Norwegian companies would exclude the Swedish subsidiary SF Studios and the Danish subsidiary Nordisk Film Distribusjon, despite these companies releasing about half of all Norwegian movies. On the other hand defining Norwegian distributors as only those that release Norwegian movies would exclude Norwegian companies.

Figure 3: Norwegian movies from 1979 to 1999

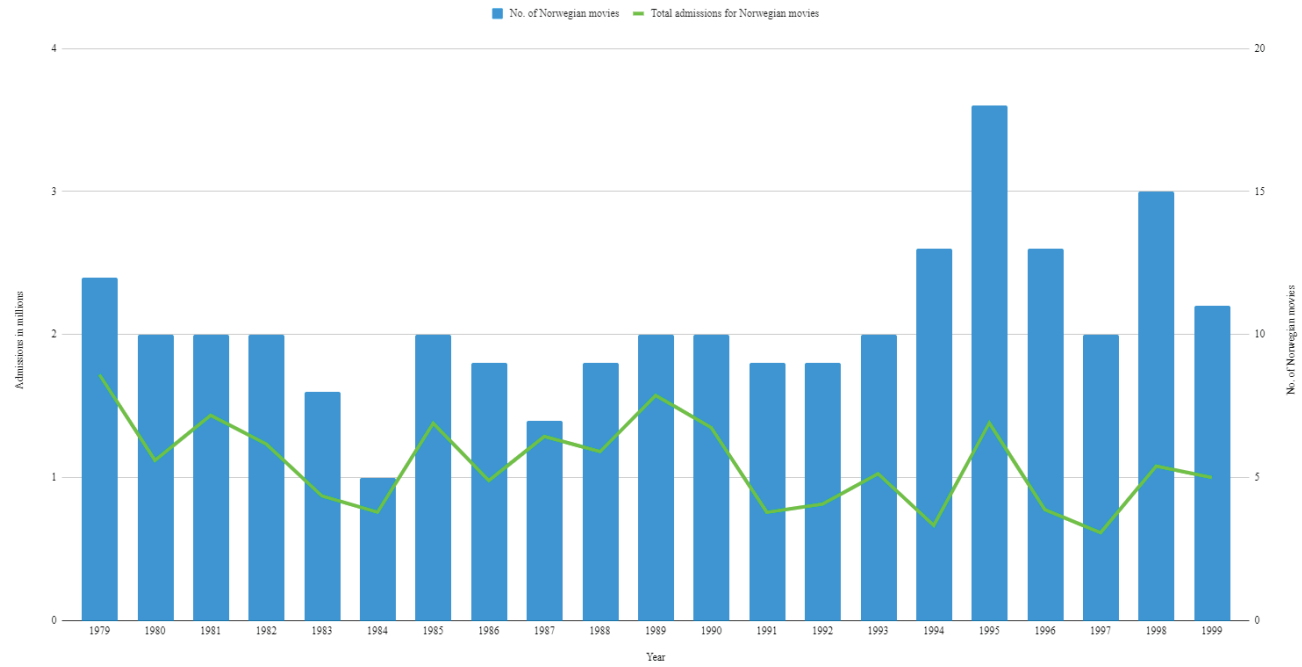
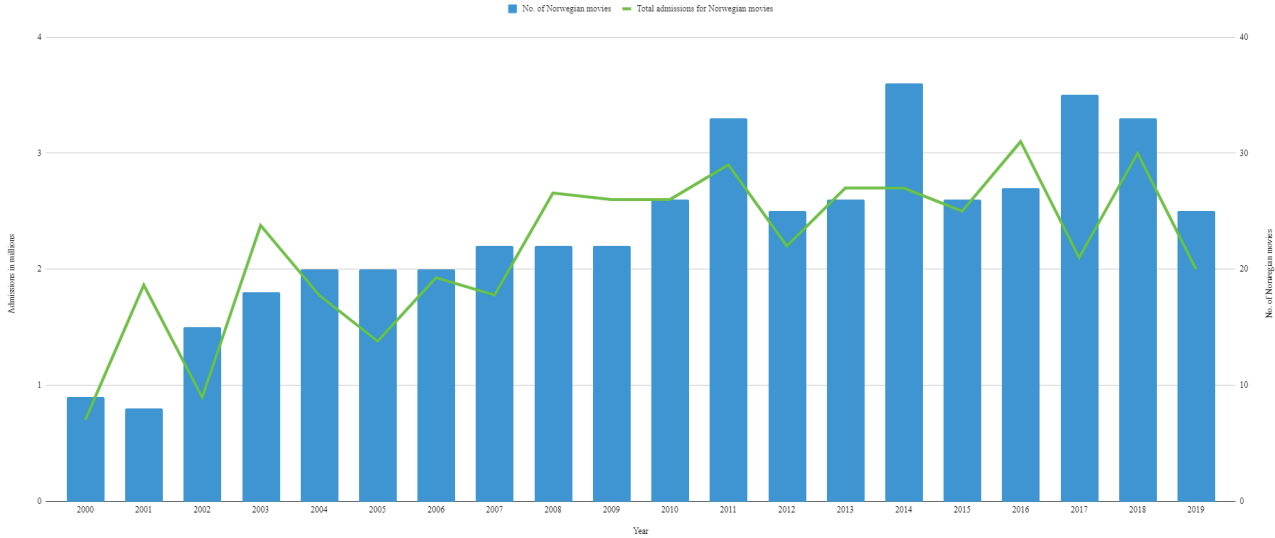


Figure 4: Norwegian movies from 2000 to 2018



There are also companies that only release titles in Norwegian home entertainment markets, they are only included in this study insofar as they distribute titles that have been in cinemas. This delimitation also excludes companies that only market movies. While there are Norwegian companies that specialise in film marketing, they are hired by companies that release movies in Norwegian cinemas (Holmene 2018).

Areas of strategy

Distributor strategies are examined using Mintzberg's "Five P's for Strategy" (1987a), plan, ploy, pattern, position, and perspective as discussed in chapter 1. This analysis is organised around four areas, corporate strategies, acquisition strategies, cinema release strategies and home entertainment strategies. These areas could be viewed as groupings of related tasks in Lotz' (2021) framework.

The four strategic areas were identified using empirical data about Norwegian film distribution, and are therefore specific to Norwegian film distributors. However, corporate strategies exist in all industries, and the other strategic areas are all shaped by the Norwegian film distributors' performance of the commodification function. It is therefore likely that strategies of companies performing the commodification function in other, similar cultural industries, can be grouped in similar ways.

In addition to these four areas, Norwegian distributors also make strategic decisions regarding marketing (Holmene 2020). However, these are not analysed here because collecting the data required would be too time-consuming for this thesis.

Corporate strategies, or corporate level strategies, are business decisions not directly connected to individual films, but which centre around the running of the company and its dealings with other companies. Corporate strategies exist in all industries and generally aim to reduce transaction costs, attract capital, and allow expansion (Douma 2017).

As Norwegian film distributors all perform the commodification function – they acquire the rights to turn movies, in various stages of production, into products that can be sold and screened. How they acquire these rights is the most important strategic decision distributors make on a regular basis.

After acquiring distribution rights, Norwegian distributors further perform the commodification function by marketing movies and deciding when and how to release them for dissemination. Until very recently, as discussed in chapter 3, all Norwegian movies were first released in cinemas. Cinema release strategies are therefore of vital importance, especially for Norwegian movies. While foreign movies can to some extent rely on word-of-mouth and marketing from other markets, the commercial fate of Norwegian movies is more often than not decided during the opening weekend. In the limited degree marketing strategy is discussed in this thesis, is as a part of cinema release strategies.

While the decision to open widely, in many cinemas, or narrowly, selecting only a few cinemas in the beginning, is regarded as a key distribution strategy in the film industry more broadly (Crisp 2015, 28–29), narrow releases are seldom considered by Norwegian distributors. Most Norwegian movies tend to open as widely as possible, and after the digitalisation of the cinemas this tends to mean a movie either opens in a cinema on the premiere date or not at all. This approach is the subject of some discussion and may yet shift – as the case studies show, more varied release strategies may be adopted.

The final major strategic decision distributors make is when and how to do home entertainment releases. Home entertainment strategies cover both the length of each release window, pricing decisions and other decisions aimed at increasing revenue or prominence in home entertainment formats.

Chapter 4: Strategies as patterns and positions, Norwegian distributors after 2008

This chapter uses historical and observational data to examine the strategies of Norwegian film distributors since 2008. The historical data is, with some exception detailed later, from the period 2008 to 2018 and the observational data is based on Norwegian movies released in 2019. An extensive analysis of this data is found in the appendix.

After having divided the areas where strategic decisions were made into four main groups, corporate, acquisitions, cinema release and home entertainment release, I began examining behaviour in these areas for “*consistency in behavior, whether or not intended*” (Mintzberg 1987a, 12) according to Mintzberg’s definition of *pattern*.

While I found many patterns of consistent behaviour within these areas, almost all of these minor patterns confirmed to an overreaching pattern of resource intensity. As patterns the strategies of Norwegian film distributors can therefore be categorised as *high-resource* strategies or *low-resource* strategies. There is a significant gap between these strategies, with little or no middle ground.

In one respect, however, the strategies of Norwegian distributors did not conform to the resource intensity pattern. Both high- and low-resource distributors showed varying degree of dependence on local titles. In this pattern I have categorised the strategies as *foreign-dominated*, *foreign-led*, *local-led* and *local-dominated*. While the degree of local dependence could also be broadly categorised, these strategies are far more granular.

I further analysed the data looking for “any viable position, whether or not directly competitive” (Mintzberg 1987a, 15). Using Mintzberg’s definition of strategy as position, “strategy becomes a ‘niche’” (Mintzberg 1987a, 15). Based on the data, I find that the strategies of Norwegian distributors can be described as four (more or less) viable positions, *market lead*, *local content lead*, *independent* and *specialist*.

Table 7: Patterns and positions of Norwegian distributors with minimum 10 titles released from 2008 to 2018⁴⁶

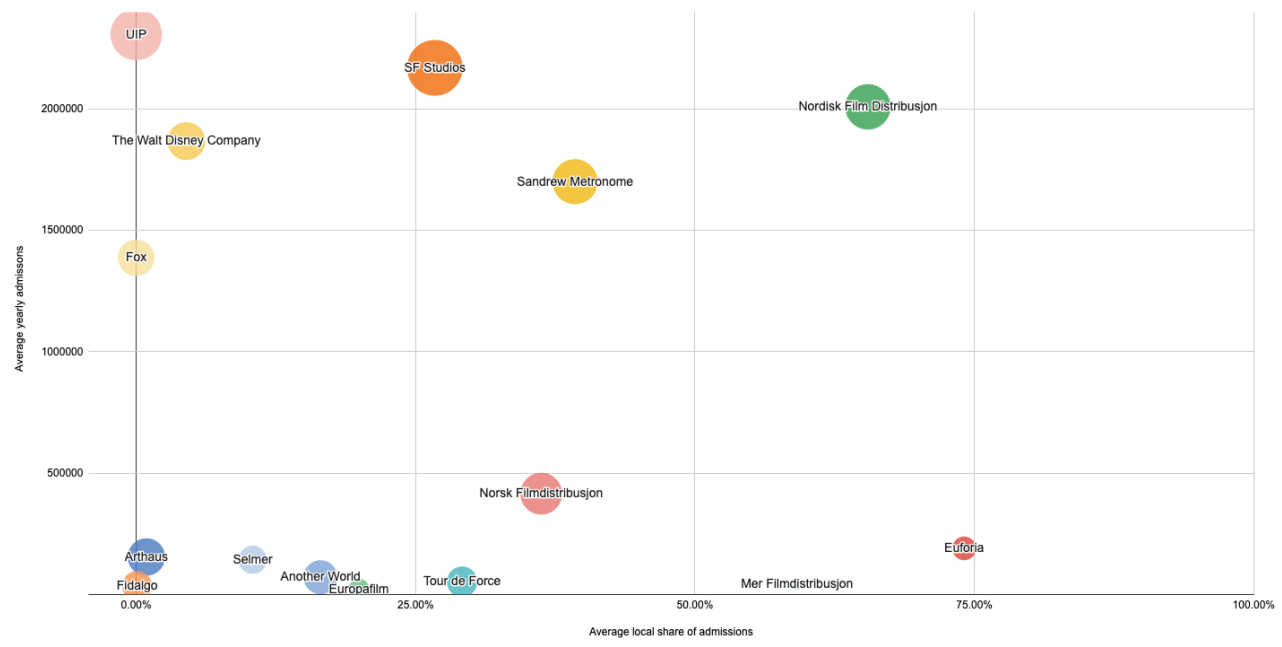
Distributor	Resource intensity	Local dependence	Position
United International Pictures	High	Foreign-dominated	Market lead
Twentieth Century Fox Norway	High	Foreign-dominated	Market lead
The Walt Disney Company Nordic	High	Foreign-dominated	Market lead
Nordisk Film Distribusjon	High	Local-led	Local content lead
SF Studios	High	Foreign-led	Market lead
Sandrew Metronome	High	Foreign-led	Market lead
Norsk Filmdistribusjon	Low	Foreign-led	Independent
Scanbox	Low	Local-led -> Foreign-dominated	Independent -> Failure
Euforia	Low	Local-dominated	Independent -> Specialist
Arthaus	Low	Foreign-dominated	Specialist
Mer Filmdistribusjon	Low	Local-dominated	Specialist
Another World Entertainment	Low	Foreign-dominated	Specialist
Storytelling Media	Low	Foreign-dominated	Specialist
Europafilm	Low	Foreign-dominated	Independent
Tour de Force	Low	Foreign-led	Specialist
Fidalgo Filmdistribusjon	Low	Foreign-dominated	Specialist
Bollywood - Green Chili	Low	Foreign-dominated	Specialist
KontxtFilm	Low	Foreign-dominated	Specialist
Selmer Media	Low	Foreign-dominated	Specialist

Strategies as patterns

In Figure 5 Norwegian distributors that released at least 10 movies from 2008 to 2018 are placed along two axes. They are placed along the X axis using average yearly admissions as measure of their resource intensity, and along the Y axis using their average yearly share of local admissions as a measure. The size of each bubble indicates the yearly average number of theatrical releases.

⁴⁶ Norsk Filmdistribusjon was founded in 1990, but was merged into Sandrew Metronome later. In 2011 the company was disbanded and Norsk Filmdistribusjon reverted to its original name. However, there is significant difference in the strategies of the companies and I have therefore kept them separate.

Figure 5: Strategies of Norwegian film distributors 2008 – 2018 as patterns



High-resource versus low-resource

Figure 5 uses average yearly admissions as a measurement for the distributors access to economic resources, while high admissions are not always linked to economic resources it is a reasonable assumption over an 11-year period. From Figure 5, then it is clear that it is a significant difference between those with a high resource level and those with a low resource level.

The high-resource strategies are employed by companies with corporate structures that allow them to invest in more expensive movies and release more frequently. Low-resource companies have smaller or no corporate structures and invest in less expensive movies and/or less frequently.

Most distributors' actions in other strategic areas can also follow this pattern. High-resource companies tend to release local titles on more attractive dates and have shorter cinematic windows. They tend to do home entertainment releases in-house and have more active pricing strategies, and their movies tend to be available on more platforms.

Their local titles also achieve higher prominence in the digital home entertainment markets, especially for older titles. Among the low-resource companies, there is significant variation in home entertainment performance, including when the cinema performance of those titles is considered.

The share of local titles with screenplays based on known original stories also follows the high- versus low-resource pattern. Nordisk Film Distribusjon has the most known content, followed by SF Studios. Norsk Filmdistribusjon, Mer Filmdistribusjon and other low-resource companies released more Norwegian movies with original than known content. The low-resource distributors also dominated genre movies and documentaries.

Local title dependence

One notable deviation from this pattern is in the distribution of local and foreign titles, which has implications for understanding different companies' participation in the Norwegian film industry.

The degree to which Norwegian distributors rely on admissions from local releases varies from nothing to almost completely. However, this pattern does not, as Figure 5 shows, follow the resource intensity pattern. The local title dependence pattern is also far more granular. Distributors may not only make shifts along this axis over time, it can also vary from year to year. However, when looking at the 2008 to 2018 period overall, four local dependence strategies can be described: *foreign-dominated*, *foreign-led*, *local-led*, and *local-dominated*.

Foreign-dominated

These companies focus on foreign movies, even if some of them have released one or more Norwegian movies, and the success of Norwegian movies is not vital to their survival.

This is a very diverse category and includes large companies like The Walt Disney Corporation Norway and smaller arthouse-oriented companies like Fidalgo and Arthaus. The latter has released one Norwegian film in three of the last four years and is transitioning further into the *foreign-led* category along with Selmer Media, which also seems to be adding Norwegian movies more regularly, too.

Foreign-led

These companies distribute a combination of Norwegian and foreign movies with the foreign movies generally representing the majority of admissions. Foreign movies provide a safety net for these companies because of the relatively low investment requirements and more stable admissions, but they are still exposed to significant risk through their regular investment in Norwegian movies.

SF Studios is the prime example of this category; other companies include Tour De Force, Europafilm, Storytelling Media, Another World Entertainment and Norsk Filmdistribusjon.

Norwegian-led

These companies distribute Norwegian and foreign movies, but secure most admissions from the former – a strategy that attaches significant risk to the Norwegian movies in a way not easily offset by foreign rights. It is, for instance, not inconceivable that the poor performance of Scanbox' Norwegian movies in 2011, 2012 and 2013 contributed to the company's decision to leave Norway. This strategy also requires the ability to invest heavily in local film production.

Only Nordisk Film Distribusjon is currently employing this strategy consistently. While Nordisk Film Distribusjon releases more foreign titles than local titles, its biggest titles are local. Scanbox were also in this category from 2008 to 2011 before becoming *foreign-dominated* and then exiting the Norwegian market altogether.

Norwegian-dominated

These companies operate as full-time distributors and while they sometimes also distribute foreign movies, their viability is entirely dependent on Norwegian movies. Only two companies have attempted this strategy, Mer Filmdistribusjon and Euforia.

Mer Filmdistribusjon's average share of local admissions is comparable to *Norwegian led* Nordisk Film Distribution. However, I classify both Mer Filmdistribusjon and Euforia as *Norwegian dominated* because they release local titles more frequently than foreign titles – a significant share of their foreign movies also have a local co-producer, underlining their commitment first and foremost to Norwegian movies and producers. In fact, Mer Filmdistribusjon was formed

specifically to distribute Norwegian movies⁴⁷ and, as we will see later in this chapter, in the decade under examination, Euforia has moved even further towards focusing on Norwegian movies.

Summary of minor patterns

An extensive analysis of Norwegian distributor strategies can be found in the appendix. The table below contains a summary of the key findings and how the various minor patterns conform to the major patterns and the positions.

⁴⁷ Mer Filmdistribusjon only released local titles produced by their parent company, Mer Film. If this was the extent of the company's activity I would classify them as a variant of independent distribution, like other producer-owned distributors such as Beacon Isle and Sharing. However, Mer Filmdistribusjon operated like a regular distribution company and regularly released foreign movies.

Table 8: Corporate strategies

Resource intensity	Local dependence	Parent company	Acquisition enabling strategies	Release enabling strategies	Marketing enabling strategies
High	Foreign-dominated	Hollywood studio	Mainly foreign movies through vertical integration. Only very rarely release local movies.	All are vertically integrated with SVOD services	Marketing expenses covered by parent company
High	Foreign-led	Scandinavian conglomerate	Foreign movies from several output and first look deals, including Hollywood majors. Some foreign movies from vertically integrated companies. Local movies from vertically integrated companies and independent producers.	Some output deals	Marketing expenses for some foreign titles covered by foreign studio
High	Local-led	Scandinavian conglomerate	Foreign movies from first look deals, output deals with minor Hollywood studios and vertically integrated companies. Local movies from vertically integrated companies and independent producers.	Output deals with several streaming services, runs bundled SVOD platform. Vertical integration with cinema chain	Marketing expenses for some foreign titles covered by foreign studio. Vertical integration with ticket website, cinema advertising agency, and cinema chain used in marketing
Low	Foreign-led	Long term owners with film industry interests	Some long-term relationships with local production companies. Some local minority co-productions through vertical integrations	Regular co-operation with home entertainment specialists	
Low	Local-dominated	Long term owners with film industry interests	Some long-term relationships with local production companies. Some local minority co-productions through vertical integrations	Some have regular co-operation with home entertainment specialists and other distributors	
Low	Foreign-dominated	Often independent	Some long-term relationships with local production companies. Some local minority co-productions through vertical integrations	Some have regular co-operation with home entertainment specialists and other distributors	

Table 9: Acquisition strategies

Resource intensity	Local dependence	Investment level	Release frequency	Local titles based on known or original stories	Countries of origin	Genres
High	Foreign-dominated	High	Very high	Very rarely release local titles, all have been based on known content	Almost all foreign titles from the USA	No clear preference
High	Foreign-led	High. Hollywood output deals and somewhat expensive local titles	Very high	Most local titles based on known stories	Most foreign titles from the USA, some European titles	No clear preference
High	Local-led	High, somewhat expensive output deals and expensive local titles	High	Local titles far often based on known than original stories	Most foreign titles from the USA, some European and Nordic titles	No clear preference
Low	Foreign-led	High compared to other low-resource distributors. Local titles more expensive than foreign. Most local titles have relatively low budgets, but occasionally release moderately expensive local titles	Usually somewhat high	Local titles far more often based on original than known stories. Local films based on known stories can still have a substantial share of admissions	Most foreign titles from the USA, some European, a few Nordic, and occasionally other countries	No clear preference
Low	Local-dominated	Low, local titles are generally more expensive than foreign	Low	Local titles far more often based on original stories than known.	No or few foreign titles outside of co-productions. Most foreign films are Nordic or European, occasionally other countries.	Often show genre preference
Low	Foreign-dominated	Low, local titles are few and often very low budget	Varies, can be high	Local titles far more often based on original stories than known.	Few titles from the USA, otherwise it varies from distributor to distributor	Often strong genre preference

Table 10: Cinema release strategies

Resource intensity	Local dependence	Marketing budget	Preferred dates
High	Foreign-dominated	High	Foreign titles throughout the year
High	Foreign-led	High	Foreign titles throughout the year. Some local titles in spring, most local titles in autumn. Occasionally hold attractive dates like December 25
High	Local-led	High	Most foreign titles in spring. Some local titles in spring, most in the autumn. Often hold attractive dates like the first weekend in November or December 25
Low	Foreign-led	Can be relatively high for local titles	Foreign titles throughout the year except December. Local titles mostly in spring or early autumn.
Low	Local-dominated	Relatively low	Few releases and no clear preference
Low	Foreign-dominated	Relatively low	No clear preference

Table 11: Home entertainment strategies

Resource intensity	Local dependence	In-house or external home ent. release	Window length	Window structure	Release formats	Pricing	Streaming
High	Foreign-led	In-house	Relatively short	Regular	All titles released digital and physical. Most on Blu-ray, but not always	Active	All 2019 titles on SVOD about a year after theatrical, most free-to-air/stream about two years after theatrical. Some older titles on global streaming services, more on Scandinavian and local services.
High	Local-led	In-house	Relatively short	Regular	All titles released digital and physical. Most on Blu-ray, but not always	Active	All 2019 titles on SVOD about a year after theatrical, most on free-to-air/stream two years after theatrical. Highest share of older titles on global streaming services, some titles on Scandinavian and local services.
Low	Foreign-led	In-house or external. More often in-house on digital releases	Relatively long	Often irregular	All titles released on digital formats. Most on DVD, rarely on Blu-ray	Passive	All 2019 titles had free-to-air/stream as first streaming window, about 18 months after theatrical release. No older titles on global streaming services, a few on Scandinavian streaming services
Low	Local-dominated	In-house or external. More often in-house on digital releases	Relatively long	Often irregular	All titles released on digital formats. Most on DVD, rarely on Blu-ray	Passive	2019 title had free-to-air/stream as first streaming window. One distributor had a significant share of titles on streaming services, the other had none.
Low	Foreign-dominated	In-house or external. More often in-house on digital releases	Can be short, but more often long	Often irregular	Not all titles get home entertainment release. Most titles released on digital formats and on DVD, rarely on Blu-ray. Specialist release Blu-ray more often	Passive	One 2019 title on SVOD after about a year. Several on free-to-air/stream, from three months to two years after theatrical release. Very few older titles on Scandinavian streaming services, most titles not streaming at all.

Strategies as positions

Four viable positions have been identified based on the 2008 to 2018 data: *market lead*, *local content lead*, *independent*, and *specialist*. One could expect that a single high-resource company could lead both the market and the local content positions, but this has only happened once in the period examined.

The low-resource distributors are mainly specialists and compensate for a lack of financial resources with expert knowledge and acumen. The independent position, on the other hand, which plays a crucial role in the Norwegian film industry, is by many indications increasingly difficult to occupy. Even the top spot, which has had relatively high resources compared to the specialists, appears to be a precarious one.

However, Norwegian film policy, and notably the artistic scheme, creates a need for a distributor willing to handle movies with limited or unknown commercial potential. As long as NFI continues to support movies that the most commercially oriented distributors are not interested in, there will be a market for distributors specialising in these films.

Table 12: Relative prominence of local titles in home entertainment markets

Position	2019 titles on iTunes	Catalogue titles
Market lead	Generally high prominence, especially children's titles. Artistic title had moderate prominence	High prominence
Local content lead	All titles have high prominence, especially children's titles.	Very high prominence
Independent	Most 2019 titles had low or no prominence	Varied from moderate to none
Specialist	Some 2019 titles had moderate prominence, others none	None or very low

Market lead

The market lead position is a competitive position that covers the distributors that can potentially have the highest total admissions in any given year.

To reach the market lead position requires strong foreign titles. Even in 2013, when Nordisk Film Distribusjon grabbed the top spot mainly on the strength of local

titles, it would still have come behind UIP and SF Studios without *Hunger Games: Catching Fire* (Lawrence 2013), which Nordisk Film Distribusjon released as a part of its output deal with Lionsgate.

However, a non-Hollywood distributor that wants to lead competitors also needs strong local titles. For local distributors, maintaining this position therefore involves a high level of risk as it requires heavy investment in unpredictable local movies. While this risk is offset by the relatively low risk of the foreign content, the foreign movies require large investments to acquire. Of course, the potential return is high as well, as it involves investing in both national and foreign projects with high commercial potential.

A company leading the market also has large relative power over the creation and especially the dissemination functions. While not necessarily the first choice for the most commercially oriented local content, a company in this position can still invest in and bring a commercially oriented Norwegian movie to market. With the addition of very commercially attractive foreign rights, this position also confers strong leverage over the cinemas and home entertainment platforms.

While Nordisk Film Distribusjon has also been in the contention for market lead, SF Studios is the local distributor that consistently has held this position. SF Studios have regularly invested in local titles, but Hollywood movies have made up the majority of the admissions. SF Studios also relied on relatively lower risk local content and invested in more known than original content.

SF Studios was also more willing to invest in original content and projects without NFI support than Nordisk Film Distribusjon. This could reflect a greater willingness to invest in risky projects because SF Studios is less reliant on Norwegian content, but it could also be that for the most attractive local projects Nordisk Film Distribusjon in the *local content lead* position was a more attractive partner.

Local content lead

The local content lead position covers the distributors that could potentially have the highest total admissions for local movies in any given year.

To hold the local content lead position a distributor must be willing and able to invest heavily in many market-oriented Norwegian movies, with the caveat that this investment has historically not been possible in Norway without also relying on acquiring foreign rights. This position carries the highest absolute risk, as it involves investing relatively large sums into relatively risky projects. However, it also has the potential to offer very strong returns.

The local content lead can also leverage the largest relative power over the local creation and dissemination functions. The position enjoys significant symbolic capital within the industry and with policymakers and will often be the first choice for the most commercially promising local projects. This in turn provides the commercially strongest local slate and catalogue, resulting in a strong bargaining position over both cinemas and home entertainment platforms in the markets where local content is important.

The only company to consistently hold this position is Nordisk Film Distribusjon. To manage the inherent risk of this position, Nordisk Film Distribusjon has relied on relatively lower-risk national titles based largely on known content, and relatively low-risk foreign content. While foreign movies are not the main earner for Nordisk Film Distribusjon, they remain a stable earner at relatively low risk. Most of Nordisk Film Distribusjon's foreign titles come through output deals with Lionsgate, a Hollywood mini-major.

Independent

The independent position covers any company that neither have high resources nor a clearly defined specialisation. Based on the examined period, the position is highly competitive - there has usually been a clear independent lead. Independents that did

not hold or lost the lead have either ceased operations or moved towards a specialisation.

Success as an independent lead seems to be linked to the ability to use strategies similar to the high-resource distributors, though at a lower level. In the period examined there has always been at least one independent distributor with markedly higher resources that invests more in local titles than the other low-resource distributors, while still having significantly fewer resources and investing less in local movies than the high-resource distributors.

While maintaining this position requires the willingness and ability to invest in multiple high-risk projects, each individual project needs relatively small investments. This position is similar to that of leading independent distributors in larger markets, although in Norway it is closely associated with movies financed through the artistic support schemes. The relative risk of this position remains high; less money is invested in individual projects but they are generally harder to evaluate commercially.

However, while the companies in this position released fewer local titles than SF Studios and Nordisk Film Distribusjon, they released comparable numbers of titles based on original screenplays, and a relatively large share of the artistic path titles.

This position also has less influence over the creation and particularly the dissemination functions than those previously described. Most distributors in this find it easier to secure deals with smaller companies. Additionally, while the independents' lineups and catalogues can be artistically interesting, these companies have less commercial standing in negotiations with cinemas and home entertainment platforms.

Around 2008, the lead independent position was contested by Scanbox and Euforia. But when Schibsted divested from Sandrew Metronome, that company continued as Norsk Filmdistribusjon but could no longer pursue the most

commercial projects and moved into a leading independent position. At the same time, Euforia's total admissions fell, and the company began moving towards a specialist position. Scanbox also ceased operations soon after. While these changes may not be directly connected to Norsk Filmdistribusjon's repositioning, it is possible there is only room for one contender for this position.

Several companies have tried to hold the independent position without challenging for the lead. Between 2008 and 2018, most of these independent companies relied on foreign titles, and the release of Norwegian titles was largely intermittent. Some, like ActionFilm and Europafilm, released several movies without government support. These companies were also far more likely to release Norwegian titles outside the most attractive autumn period, and home entertainment releases tended to be released late, if at all. For some projects these companies might represent a last-ditch attempt at cinematic distribution. With digitalisation, however, this function has lost power because more projects are being independently distributed.

Despite losing the lead Euforia continued as independent up to 2018. While Euforia's success at the box office varied, the company's impact in home entertainment, specifically SVOD, was significantly higher than other independent distributors. Since 2018 the company has taken clear steps towards specialising in local documentaries; it released no fewer than eight Norwegian documentaries from 2020 to 2022.

Specialist

The specialist position is a niche in the market that is difficult to enter without significant knowledge and symbolic capital, yet large enough to sustain a company. In larger markets, specialists might survive on local content alone. But in Norway, almost all specialist distributors rely on foreign content for the majority of their admissions as well as tending to have a fairly consistent and relatively high frequency of foreign versus Norwegian titles.

There are a number of specialist distributors in Norway, several of which have existed for some time. Across specialists, risk can vary considerably, but generally investments are relatively low and admissions relatively stable for the foreign titles.

Specialist distributors are vital for creators of documentaries, less commercial genre fare and other small projects. However, their catalogues and slates, especially of local content, tend to be limited and rarely appear on streaming services or have large cinema admissions. While data is limited, it does seem more likely that a title from a specialist distributor will get a DVD or Blu-ray release even with low admissions than will other types of distributors.

Among the specialists, Another World Entertainment focuses on horror, action, sci-fi, and fantasy genres, Arthaus concentrates on arthouse cinema, Kontext specialises in children's movies and Tour de Force concentrates on documentaries.

Other distributors that could be considered specialists are Selmer Media, Mer Filmdistribusjon and Storytelling media. Storytelling Media's Norwegian catalogue specialises in content from the Trondheim region, but the company has no clear preferences in foreign movies.

Mer Filmdistribusjon's foreign titles align well with the local titles produced by the parent company, leading to a similar a position to Arthaus, albeit with a mix of foreign and Norwegian content that skews heavily towards local titles. Selmer Media had, as of 2018, released only one Norwegian movie, *Brillebjørn på bondegården*, (Marstrander 2018), a children's movie based on a TV character. However, a sequel was released in 2019, and at that point, six of its 22 foreign titles were children's movies.

Failure

Strategies can also contribute to company's failure and exit from the market. From 2008 to 2011 Scanbox pursued a strategy of one or two annual high-profile

Norwegian titles before folding as a cinematic distributor in 2014.⁴⁸ Most titles came from the production company Paradox, and most were successful. Three movies based on the children's books about Knerten (Twigson) each garnered more than 300,000 admissions, and two thematically dark movies geared towards adults topped 100,000 each. However, in 2011 Paradox suffered a major flop with *Pax* (Sjursen 2011) and the 2012 release *Into the white* (Næss 2012) also suffered significant losses (Steingrimsen 2011, Rushprint 2012).

While Scanbox released a number of foreign films from 2008 to 2014, with the exception of 2012, its admissions for foreign titles were lower than those for Norwegian movies. An exceptionally good year for foreign titles in 2012 did not give the company the boost it needed, and Scanbox handed theatrical operations over to ActionFilm in 2014 (Haddal and Hoenvoll 2015).

ActionFilm released five Norwegian titles from 2013 to 2015. One of these amassed 78,000 admissions, but the rest averaged only 7,000 admissions each. ActionFilm also distributed some foreign titles during this period, but these fared even more poorly than its domestic titles. In 2016 ActionFilm also ceased theatrical operations.

Corianderfilm ended operations in 2012. The Bergen-based company largely distributed Norwegian documentaries, supplemented with European children's movies.

While each of these companies was quite different, all relied on Norwegian titles, and none could rely on a patient parent company. Coriander and ActionFilm were independent. Danske Bank held the majority of Scanbox stock after Scanbox' previous owner, an Icelandic financing company, folded during the 2008 financial crisis.

⁴⁸ The company continues to release foreign titles in the Norwegian home entertainment market.

Changes in patterns and positions

In part 1, I argue 2012 was a pivotal year for the Norwegian film industry. The launch of Netflix in Norway was the mainstream breakthrough for digital film dissemination and the end of the physical home entertainment era. I further argue that this has led to more of the commodification and dissemination functions of film in Norway being performed without any local input. If this is true, then we should expect to see Norwegian distributors' strategies change as they adapt to the new market conditions.

Figure 6 shows average admissions and average local share of admissions for high-resource distributors for the 2008-2012 period and the 2013-2018 period. The size of the bubbles indicates the number of average yearly releases.

Averages from 2008-2012 and 2013-2018 among the Hollywood subsidiaries in Norway indicate no significant changes took place around 2012. UIP and Twentieth Century Fox gained some ground, and The Walt Disney Corporation lost some. Disney also reduced its release frequency and had slightly higher admissions from local titles. However, Disney's local titles were released in 2012 and 2014 respectively, and could hardly be seen as a response to digitalisation.

The local high-resource distributors, on the other hand, all implemented significant changes. After Schibsted sold the company, Sandrew Metronome reverted to its original name, Norsk Filmdistribusjon, and stopped pursuing high-resource strategies. On announcing the sale in 2010 Schibsted said unpredictability drove its decision to leave the film market entirely. If the sale was a response to the coming digitalisation, it was particularly forward-thinking, as the market would become much more unpredictable in a very short time.

SF Studios increased its admissions on both local and foreign titles in the 2013-2018 period. However, the increase in foreign admissions was considerably larger than in local admissions, putting the company in a very clear *market lead* position.

Figure 6: Changes among the high-resource distributors

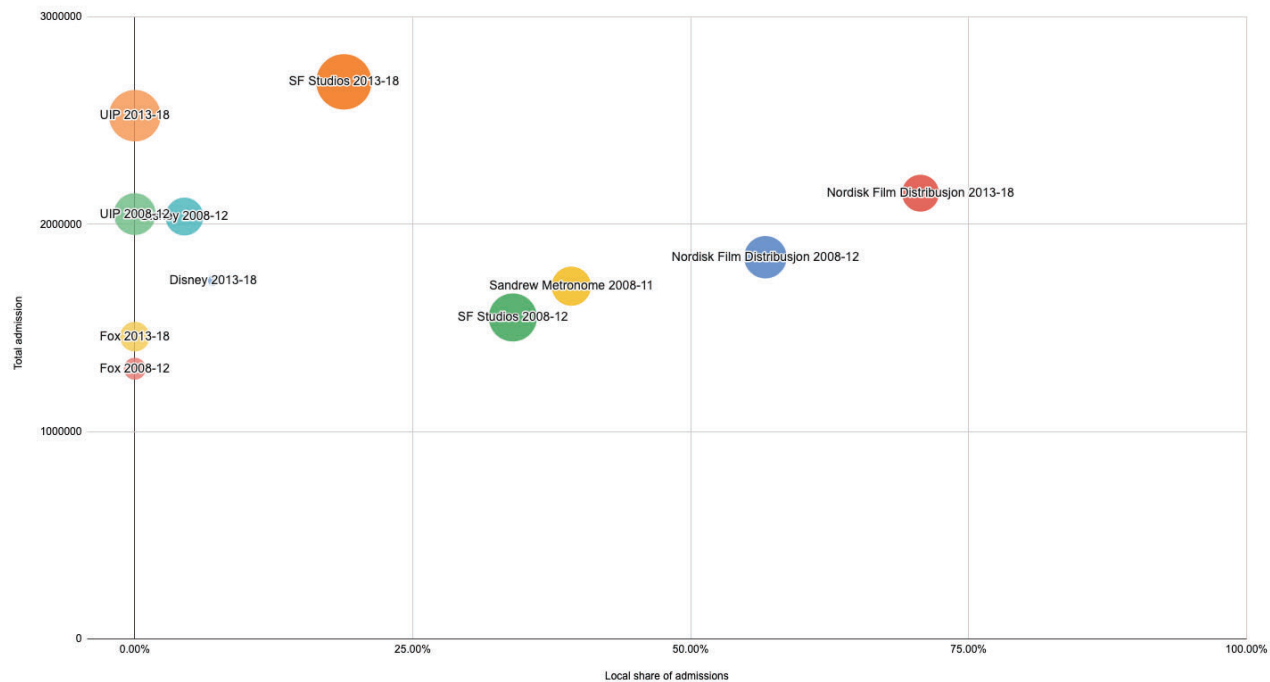
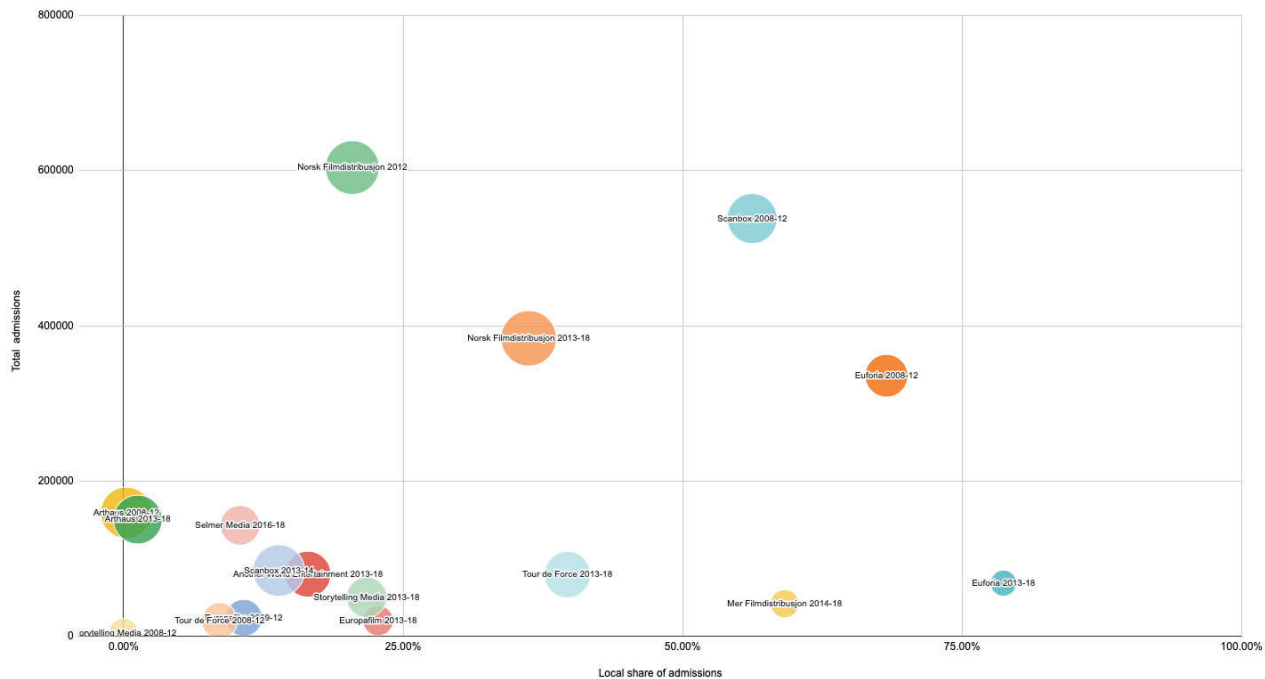


Figure 7: Changes among the low-resource distributors



For SF Studios, the 2008-2012 period both started and ended with difficulties, and the move was born of necessity and opportunity.

At the start of the period under examination, *Max Manus* (Rønning & Sandberg 2008) slipped past SF Studios when it declined production company Filmkameratene's demands for an MG. Instead, Nordisk Film Distribusjon released *Max Manus*, which was subsequently the second best performing Norwegian movie of all time, selling more than 1 million tickets. Nordisk Film Distribusjon would continue to attract a large share of the most commercial local projects, along with Sandrew Metronome. SF Studios would frequently find itself third in local admissions, sometimes even challenged by Scanbox and Euforia.

SF Studios was also far more reliant on home entertainment titles than its local competitors, releasing as many home entertainment titles as the Hollywood subsidiaries. The dramatic fall in home entertainment revenue in 2012 therefore affected SF Studios more than other local distributors, and the company slashed its staffing (Lismoen 2017, Rushprint 2014, Berge 2013).

An increase in cinematic releases might seem a reasonable response in the face of declining home entertainment profits. The demise of Sandrew Metronome also gave SF Studios an opportunity it likely would have pursued even if home entertainment sales had remained stable. Without Schibsted backing Sandrew Metronome could no longer hold on to their output deal with Warner and in April 2011 it went to SF Studios. With Sandrew Metronome gone, and Scanbox and Euforia reducing their investments, more local titles also found their way to SF Studios.

Nordisk Film Distribusjon also changed strategies during this period, increasing total admissions and dependence on local titles, while somewhat reducing its average number of releases. While this change is numerically significant, it also expresses continuity. Nordisk Film Distribusjon was re-established in 2008 after the Egmont and Sony joint venture, Columbia Tristar Nordisk Film

Distributors, disbanded. Without a Hollywood major, Nordisk Film Distribusjon seems to have struck a path towards stronger reliance on local titles in 2008, and the changes have happened along this path.

Among the low-resource distributors, almost all have made significant changes. However, one should be careful about attributing these changes to any specific cause. Life as a small distributor is precarious and change can always be expected. Still, almost all of the low-resource distributors active before and after 2012 have increased their reliance on local titles. While the new entrants are all *foreign-dominated*, they have all relied more on local titles than the specialists and independents did in the 2008-2012 period.

The lead independent position has also seen significant change. Between 2008 and 2012, Scanbox and Euforia shared this position. Both relied heavily on local titles, but Scanbox had a lower volume and more commercial titles than Euforia. As previously discussed, Scanbox' fall from the top rank can be attributed to the failures of local titles and the aftermath of the 2008 financial crisis. Euforia's shift to fewer and less expensive local titles can also be explained by the commercial failure of some of its 2011 and 2012 titles. Still, it is also likely Norsk Filmdistribusjon became a competitor for the kinds of local and foreign titles Euforia wanted to acquire. Since 2013, all of Euforia's titles have been local or have had a local co-producer. The company has continued to release local documentaries and feature films, but since 2018 documentaries have been its biggest source of admissions.

Norsk Filmdistribusjon returned to its original pre Sandrew Metronome name in 2012 at a significantly lower resource level, without access to Hollywood majors. Even so, when the company stabilised, it held a position strikingly similar to the one Sandrew Metronome had. Even though average admissions for Norsk Filmdistribusjon from 2013 to 2018 were about a fifth of those for Sandrew Metronome from 2008 to 2012, the number of average yearly titles fell only slightly and the share of local admission remained around 40%.

Norsk Filmdistribusjon's share of movies from the USA also remained on par with Sandrew Metronome, and it was the only low-resource distributor where more than half its titles were from the USA. The only other low-resource distributors with more than half of their foreign titles from the USA were Scanbox and Euforia, which again suggests that when Norsk Filmdistribusjon moved into the lead independent position, it acquired those mid-level American movies that were previously a source of relatively low-risk income (and a counterbalance to the high risk local titles) for Scanbox and Euforia.

In all this, Arthaus remained remarkably consistent. No other distributor in Norway had less variation in release frequency or average admissions, including the Hollywood subsidiaries. Arthaus did, however, move very slightly towards having more local movies. While all the company's local movies from 2008 to 2018 combined saw fewer admissions than *Barn*, the release of *Det er meg du vil ha* (*I'm the One You Want*, Haugerud 2014) and *The Rules of Everything* (Hiortøy 2017) marked a steady evolution of Arthaus' relationship with production company Motlys.

More local, more risky

This chapter has examined the strategies of Norwegian film distributors after 2008 as patterns and positions. Unsurprisingly, access to economic resources makes a big difference in terms of which strategies are pursued. While SF Studios and Nordisk Film Distribusjon do not have the resources required to pursue increased production value, heavy marketing and overproduction in the scale of Hollywood studios, they have access to more resources and have more strategic options than the other Norwegian distributors.

One indication of this is that they pursue a significantly more aggressive window structure than the others. Presumably they have more to gain by releasing titles closer to the expensive marketing campaigns run at the time of the cinema premiere, and are simultaneously less afraid of offending cinema owners since they have more and commercially stronger lineups than smaller distributors.

However, it can also be argued that when it comes to local movies, these high-resource strategies carry at least as much risk as the low-resource strategies. Even if Nordisk Film Distribusjon and SF Studios have dominated among domestic distributors, it cannot be said they have consolidated the market and created significant barriers to entry.

For every kind of Norwegian movie released in the period, there seems to have been two or more potential distributors. The *local content lead* would likely be the first choice for market path titles, but distributors in the *market lead* and the leading *independent positions* could also be considered. The same goes for the more expensive artistic path titles, while the lower budget artistic path titles could approach either the *specialists*, or *independents*. Depending on their budgets and ambitions, ex post path titles could also approach at least two distributors at any time.

This also reflects the relatively limited role of distributors as gatekeepers in the Norwegian film industry. For projects depending on public funding, NFI is the main gatekeeper. While a distribution deal is required to receive production funds from NFI, receiving the actual NFI production funds is a narrower gate. For projects without NFI funding, the distribution deal is key, but again the gatekeeping duties are shared with cinemas. A project might be able to self-distribute if no distribution company is willing, but without cinemas there is no viable path.

When entering the home entertainment market, the divide between the positions and high and low-resource distributors becomes a lot sharper. While lack the data to compare prominence and performance of movies in the DVD-era to the digital home entertainment markets, it seems likely that the divide is sharper in the digital markets. When less Norwegian movies are given prominence on any given platform, more of the Norwegian movies that get prominence are from the high-resource distributors. Access to the global American SVOD platforms, where the Norwegian audiences do most of their viewing, is with few exceptions limited to the high-resource distributors.

Several of the low-resource distributors are for all practical purposes cinema distributors and have no or limited home entertainment strategies. From an economic perspective, this makes sense, as their limited resources are better spent towards cinemas where most of the revenue is generated. However, it still impacts the prominence and presented availability of Norwegian movies in the home entertainment market.

This is problematic from the policy view that Norwegian movies should be available and from the perspective that popular culture plays a vital role in the public sphere. 2019 also saw three local titles that did not get physical releases, which also poses new challenges for the availability and long-term access of these movies through libraries. While individual distributors have made significant strategic choices for a variety of reasons, the one change that seems to have been industry-wide is an increased dependence on local movies. Norwegian movies also had a slight increase in share of total admissions in the period 2013 to 2018 compared to 2008 to 2012, but this was not large enough to explain the shift alone.

The data and methods employed in this chapter cannot not fully explain this shift. However, the relative stability of the local Hollywood subsidiaries supports the theory that the digitalisation of dissemination of film has led to a globalisation. If large parts of the commodification of foreign films were no longer being performed in Norway, then foreign films will lose value relative to local titles for Norwegian distributors. The relative strength of *local content lead* Nordisk Film Distribusjon's, local titles in home entertainment markets compared to *market lead* SF Studios', also suggest that the local catalogue became more valuable.

While local titles increased their relative value in the period, they remained high-risk investments. Their uncertain market value could not be offset by overproduction, heavy marketing, or increased production value strategies. To some extent, the risk of local productions was offset by making movies based on known content. However, the main risk reduction strategy for almost all Norwegian

distributors remained the relatively stable income from foreign titles and deals with Hollywood studios were still required to be able to pursue high-resource strategies.

Chapter 5: Strategies as plans and perspective – Case studies of Norwegian movies released in 2019

This chapter examines the strategies of local film distributors through two case studies. These present companies that work in the opposing ends of the Norwegian film industry landscape, and are based on interviews with senior executives. These case studies offer insight into how the distributors think about their strategies and allows analysis of them as the organisation's plans and perspectives.

The first case examines a year with SF Studios and Norsk Filmdistribusjon, two high-resource distributors that release most of the commercially oriented Norwegian movies. The second case examines the release of *Barn (Beware of Children, Haugerud 2019)* a movie produced by Motlys and released by Arthaus, companies that pursue artistic and low-resource specialist strategies.

The two cases were chosen to represent breadth and to offer views from both aspects of the industry. The aim of these case studies was to get the distributors to express their views and their reasoning behind their strategic decisions. While both the beginning and the end of this chapter offers analyses of these views, the main body of this chapter delves into the two cases through detailed interview excerpts and is therefore more descriptive.

While SF Studios and Nordisk Film Distribusjon are minuscule compared to the Hollywood majors, it still makes sense to view them as local "majors", as the two companies are clearly the most important distributors in Norway from an economic perspective. SF Studios and Nordisk Film Distribusjon are the only companies with ownership interests in multiple production companies, they have large Scandinavian companies as owners, and they regularly invest in Norwegian movies that have relatively large budgets and admissions. As established in the previous chapter, this allows SF Studios and Nordisk Film Distribusjon to pursue high-resource strategies. In 2019 SF Studios and Nordisk Film Distribusjon released five and six movies respectively, almost half of the 23 Norwegian movies on regular release that year.

This case builds on a total of 11 interviews with senior executives in both companies. The first interviews were conducted early in 2019 and continued on a quarterly basis until the summer of 2020. The interviews were semi-structured and centred around the expectations and experiences with the release of each of their Norwegian titles, both before and after release into each window. This helped keep the conversations specific and to allow me to highlight the strategic decisions made, in a way that general discussions on strategy could not. The timeframe allowed for discussions on every 2019 title as they passed through the different release windows.

In addition to these specific discussions, the interview-guide also contained questions on more general trends in the market and on foreign titles. Since the interviews were semi-structured, they also allowed for the conversation to include other themes that were relevant to this case and the thesis in general.

The second case builds on four interviews with the producer, cinematic distributor, and home entertainment distributor of *Barn*. The first interview took place shortly before the cinema premiere, and did not include the home entertainment distributor. The second interview shortly before the home entertainment release, the third about six months after the cinema premiere, and the final interview about 18 months after the cinema premiere.

Plans and perspectives

Some perspectives come across from all informants in all the companies. First of all there is a general sense that the Norwegian film industry, as a whole, matters. It is important that it continues to thrive, and informants would express hope that movies from the other distributors do well, as it would be good for the industry. All informants also clearly feel that they have an important role in the industry.

Secondly, all informants agree that making movies and getting admissions is hard. It is even harder for local movies, and it has become much harder in recent years. However, they also shared a sense of optimism on behalf of almost every project.

The cases both show a willingness to change and innovate. This is also evident from their responses to the closing of cinemas in the early stages of the pandemic (Øfsti 2020). However, this innovation is hampered by their reliance on cinemas and on NFI support. Even so, they were generally happy with the state of affairs in 2019/2020 and no one wanted major changes in policy or regulation.

Finally, all the informants stressed that having good relations to producers, cinemas and platforms is key. They all expressed willingness to compromise potential short-term revenue in exchange for long-term relations, and viewed their commitment to the industry as long term.

While the previous chapter shows that when viewed as pattern or position, there are crucial differences between SF Studios and Nordisk Film Distribusjon, they express very similar perspectives. For both companies, generating at least some profit for their owners is critical. To achieve that, they aim to make good and popular moves that reach audiences everywhere and generate revenue for their producers.

Arthaus's perspective is to get great movies into cinemas and avoid losing money. In most of their existence, they have achieved this with a steady flow of high-quality foreign titles. Many of these have been European festival winners, but Arthaus has also had significant success as Studio Ghibli's Norwegian distributor. Unlike the others, Arthaus is solely focused on cinema distribution, and has relied on home entertainment specialists for subsequent windows.

The previous chapter shows that SF Studios and Nordisk Film Distribusjon employ high-resource strategies and Arthaus employ low-resource strategies. However, the execution of these strategies as day-to-day plans are very similar. They all acquire movies and help finance them through minimum guarantees, release and market the movies in cinemas, and later release them to home entertainment platforms.

They all rely on cinemas to provide the main source of revenue, and they all try to improve the revenue from home entertainment markets. They all try to keep windows short enough to use attention generated at cinemas to create home entertainment revenue, but not so short that they risk affecting their relationship with the cinemas. While many alternatives are considered before the release, plans and dates for releases and windows for individual films are rarely changed once they have been set in motion.

In both cases, we also find that the companies are increasing their commitment to local films, despite the agreement that these were extremely risky investments. For Nordisk Film Distribusjon, this is the continuation of established strategy, but the company also acknowledges that local films are becoming even more important. SF Studios' increased commitment is mainly seen through its recent purchases of Paradox and Filmkameratene, and its investment in Motion Blur. In the interviews, this is explicitly expressed as a strategy to compensate for the loss of revenue from foreign movies. *Barn* broke new ground for Arthaus' as its most ambitious local title by far. However, since then Arthaus has continued its relationship with Motlys as well as releasing the critically acclaimed Norwegian documentary *Gunda* (Kossakovsky 2020)

Despite these similarities, the level of investment remains higher from SF Studios and Nordisk Film Distribusjon, and they spent more on marketing. While Arthaus increased its marketing budget on *Barn* compared to its other titles, the marketing spend and investment for Arthaus is far lower than that of SF Studios and Nordisk Film Distribusjon. And while festival screenings and reviews were important for some of SF Studios and Nordisk Film Distribusjon's movies, these were at the centre of marketing strategy for Arthaus.

There are also significant differences in how they acquire foreign titles. Arthaus has a standing principle that they do not acquire films they have not yet seen, while SF Studios and Nordisk Film Distribusjon rely on output-deals. This way SF Studios

and Nordisk Film Distribusjon are guaranteed a steady supply of foreign titles, but they can also face situations where they have committed to releasing even if they realise they will be unprofitable. While Arthaus can be sure that every film on their slate is a title they can back, they have to secure a deal for each one. Sometimes this also requires them to find partners in other countries and create a package to fund a shared acquisition for a larger territory.

Arthaus releases foreign titles with a very regular frequency and relies on NFI support and the occasional hit to cover losses. In the interviews, Arthaus highlighted *Amazing Grace* (Elliot 2018) and *Parasite* (Bong 2019) as such hits. In particular, *Parasite*, which did more than seven times the budgeted admissions and was a major factor in keeping Arthaus running through the pandemic.

SF Studios also gets most of its income from foreign titles, about three quarters in 2019. Almost a third of all its foreign admissions came from *Joker* (Phillips 2019), which alone did more than SF Studios' entire local slate. *Joker* and the other Warner titles represented half of SF Studios' admissions in 2019. SF Studios' overall performance was therefore highly dependent on Warner's output. In 2020 SF Studios also acquired an output deal with Sony, which was previously with UIP.

For Nordisk Film Distribusjon, foreign titles are more akin to a safety net. The acquisition cost is lower, and the admissions are more predictable than with local movies. While Nordisk Film Distribusjon releases more foreign titles than local titles, it is the only company among the three that gets most of its admissions from local movies.

Nordisk Film Distribusjon expressed that because the risk involved in local movies is so high, it was important to have a certain level of local production. While this is a reasoning that is similar to the overproduction strategy presented in chapter 1. Nordisk Film Distribusjon did not argue that a single hit could save a string of misses, but rather that a string of on-budget titles could save a single miss. In a

reversed dialectic of the hit and the miss, the catalogue carries the misses, instead of the hits carrying the catalogue.

The fact that Arthaus did not release Motlys and Haugerud's 2020 title, *Lyset fra sjokoladefabrikken* (*The Light from the Chocolate Factory*, Haugerud 2020) reveals that the company has to make considerations beyond the artistic. However, the decision not to release was made to avoid overworking their employees and not on the film's expected performance. SF Studios and Nordisk Film Distribusjon, however, have a stronger need to balance a film's artistic merit with the size of the investments and their potential returns. Their pattern of preferring relatively safe local content, as seen in the previous chapter, is confirmed as explicit plans in the interviews.

Case 1: A year with of the Norwegian high-resource distributors

In 2019 SF Studios and Nordisk Film Distribusjon released a total of 11 Norwegian movies. None of them were big hits, some of them were significant losses, a couple did as expected, and most were almost successful. The aim of this case study is to offer perspectives from these two companies at this moment in time, and to offer their reflections on what they perceived as the important issues.

The general findings are that they do feel that these are challenging times, more so than the previous decade. They find that it is more difficult to find success with local titles, that they have lost a significant source of income from the home entertainment market, and that their access to foreign titles has been reduced as well.

While they are very aware of these challenges, they also find it difficult to adapt to them, both in a short- and longer-term perspectives. While they have limited strategic latitude, they do actively look for ways to reduce risks, secure income and find ways to live in a market that perhaps has less use for the traditional Norwegian distribution company.

While Norwegian distributors are more exposed to market risk than Norwegian producers, the distributors are also chasing margins rather than hits. In the one occasion where overproduction was mentioned, it was not in the sense that a massive hit could save a string of misses, but rather that a string of on-budget titles could save one big miss.

Trying times, limited latitude

From the distributors' perspective, three major challenges have arisen in the last few years: the loss of home entertainment revenue, the ascent of global streaming services, and a cinema market that is becoming increasingly difficult to compete in.

All of these challenges are in varying degrees tied to global changes. The most evident is the loss of DVD revenue, which is happening across the world. However,

it did hit very hard in Norway because Norwegians were very quick to adapt the new all-digital formats and because the sales of DVDs were exceptionally high.

For SF Studios, which has traditionally relied on output deals with Hollywood studios, this has hit even harder as these deals are now less valuable. Hollywood studios have in varying degrees used Norwegian distribution companies as sub-distributors for both cinema and physical home entertainment releases. However, the biggest studios tend to do their digital home entertainment releases worldwide without sub-distributors. For instance, SF Studio's output deal with Warner included cinema and physical home entertainment releases, but not TVOD and EST.

The rise of the global streaming services, and especially when tied to the major Hollywood studios, is creating a tougher market both in cinemas and at home. As Hollywood movies in cinemas are becoming even bigger, even more global and with even bigger marketing budgets, it is becoming more difficult for local movies to compete.

Acquiring foreign titles outside of output deals is also becoming more difficult as the competition has sharply increased. Previously, the Norwegian and Scandinavian distributors would largely bid against each other for Norwegian and/or Scandinavian rights. During the last few years the competition has become global players looking for global rights as not only the SVOD services are buying, but many Hollywood studios are also increasingly looking to buy finished films to limit risk. In 2019, all of SF Studios and Nordisk Film Distribusjon's foreign acquisitions came from output deals or other prior relations.

The appearance of transnational cinema chains in Norway during the last decade was also considered a challenge by the distributors, who felt they were more aggressively commercial and less flexible in their views on window lengths than the previous local/municipal owners. There is also a general impression that it is more difficult to release local titles now, as the digitalised cinemas are quick to replace

underperforming movies that previously might have found an audience with more time and less competition.

While these challenges are apparent to the distributors, it is difficult to react to them in a significant way. Marketing budgets have decreased with the loss of home entertainment revenue, rather than increased to meet the higher Hollywood spending. With less access to foreign titles, local movies with higher risk become more important. However, they have limited control over their local slate as they are reliant on NFI decisions as well as the producers who raise the majority of the financing.

“Our dream scenario is to enter into discussions with producers and say we’re missing this, or we want that, and then be able to spend more money to develop projects because they fit our strategy. But then we’re completely dependent on NFI, and it’s impossible to know what they’ll fund. Well, almost impossible.”

Intellectual property rights generally remain with the production companies, not least because it is an NFI requirement. It is therefore not uncommon that they switch distributors from time to time, release movies with different distributors in the same year, and even franchises move between distributors. When it was offered the then upcoming *Jul i Kutoppen* (*Christmas at Cattle Hill*, Solbakken 2020), Nordisk Film Distribusjon found that it had a conflict with the already scheduled *Dragevokterens jul* (*Dragon Girl*, Launing 2020).

“[Jul i Kutoppen] was originally ours, but we said we can’t take a film that directly competes with one we already have. (...) We probably could have taken both, but it would be bad form. They would steal admissions from each other.”

On occasions such as the scenario above, where the distributors knew early on that they would be facing competition that would hurt the box office, they have already committed their investment as the minimum guarantee deal (MG) is one of the first elements to be locked down.

“In our deal, we can’t adjust what we are going to pay for the movie. There is of course a certain understanding of what the movie will cost when the deal is made, but if the producer cuts the budget by three million, we won’t reduce our MG because of that.”

While the distributors see the need for adjusting strategies and deals with rights-holders based on the fast-changing market, the very nature of the film industry leads to slow reactions times.

“The consumer moves very fast. Faster than the technical developments on our part, faster than the distributors and the rights holders’ ability to innovate. But then again, there will always be a delay because the projects are initiated, the models established, and contracts signed long before they’re released.”

When reflecting on the level of risk involved, especially with local titles, the distributors generally viewed the risk as too high compared to the investment and the potential return, especially since the producers would get the major cut if any movie was a big hit.

Most of the Norwegian 2019 titles missed their budgets. Some of these misses were quite substantial, but most were relatively narrow. Reflecting on admissions slightly below expected, one informant said:

“So, actually, everything is as expected. We are optimists as usual, and to be honest, this should not be a surprise. (...) It’s not that the numbers are bad, but a bit more would have been nice. Like with every other film we’ve had [this year]”.

This also suggest that these distributors actually “knows something”, as opposed to the often quoted “nobody knows anything”. In one instance, two relatively comparable movies had been given the same audience estimates before being released, and both missed the estimates by almost the same amount. As an industry that chases margins rather than hits, this ability to accurately estimate admissions is vital, even if the estimates often are too optimistic. However, the distributors also

expressed the notion that while this optimism often led to losses, it was actually necessary to make the industry work.

“If you have an accountant leading your company, you have a problem because you can never calculate an acceptable level of risk.”

Once projects are set in motion, there is however little flexibility, leaving little room to adjust even when the distributors realise there is trouble ahead. One example is the autumn of 2019 when there were a number of Norwegian children’s movies coming to the cinemas, in competition with a number of American titles aimed at the same target group.

“Everybody understands this will likely lead to some reduction in admissions. But we think, “let’s see the movies first, and see how they do before we make any adjustments”. It’s like we’ve talked about, the curse of this industry, that we’re always optimistic. We always look at the positive estimates. So, even if we see now that it’ll be less, we don’t make the adjustments just yet.”

Cinema remains the biggest earner for the distributors, and success or failure in the cinematic window tends to carry on to the other formats. However, in general, the informants described the cinema market as increasingly difficult.

“It is a general worry that people are going to the movies less. Sure, they spend more money when they’re there, but they’re going less. We have great traction with older audiences, but we’re struggling with younger ones. It’s a trend we see and have discussed, but little is happening to stop it.”

The distributors also felt that the increased presence of international cinema chains had a negative impact. While the chains were valuable partners that could plan effectively, they were also less flexible and more profit oriented.

“There’s no doubt that when we have more chains that it has become rougher, more profit oriented and more strictly business. At the same time, when you talk to the three or four biggest chains, then you talk to a lot of cinemas at the same time. That makes it is easier to plan things.”

While many of the low-resource distribution companies were always mainly oriented towards cinema, Nordisk Film Distribusjon and in particular SF Studios relied heavily on home entertainment income in the DVD era. Most of this came from foreign titles, but the steady stream of income gave the distributors more room to initiate local projects as well.

“The money came pouring in from home entertainment. So many projects were initiated internally based on home entertainment results, and all the taxes the DVD sales generated digitalised the cinemas in Norway. So, home entertainment has really carried the industry to where we are now.”

Corporate strategies

While they have limited strategic latitude when it comes to their slate and the release of individual movies, SF Studios and Nordisk Film Distribusjon have the ability to use their relatively large corporate structures to strategic effect. This applies both as owners of production companies and as subsidiaries of Scandinavian parent companies.

In both cases, the parent companies can be understood as being “patient”, in the sense that they have long-term commitments to the film industry and do not demand continuous and immediate profits. However, the Norwegian subsidiaries are expected to not lose money.

“There’s an understanding that this is an industry that’s super risky. But it’s clear that when we invest this much money, there’s an expectation we deliver some profit at the end.”

This expectation became more pressing when other parts of the conglomerate failed to deliver profits.

“While it doesn’t directly impact us, you feel that the pressure to deliver increases. Somebody has to cover the losses somewhere. So, from not paying that close attention, the headquarters start paying a lot of attention to the numbers. You feel the pressure.”

Being a part of a larger conglomerate also gives better access to global platforms such as iTunes and streaming services. With the exception of Nordisk Film Distribusjon's deal with Norwegian TV2, which will be discussed later, all streaming deals were made on a Nordic level. The dialogue with iTunes was also mainly on the Nordic level, and both companies noted that local titles were given a higher priority after iTunes established an office in Stockholm. Informants from both companies describe the internal dialogue on these matters as varying from a genuine discussion to simply being informed.

"In my case, the main dialogue goes through the headquarters, so that [iTunes] has the fewest possible people to relate to. But for each local title it's my responsibility to ensure they have the appropriate arguments. This is the same for international titles too, where there is something special in the Norwegian market – if it's based on a book by an author that's particularly popular here, things like that. Then you have to get those arguments through the system, and to the right places."

Both SF Studios and Nordisk Film Distribusjon have faced layoffs directed from their parent companies as a response to the falling DVD revenue. For SF Studios this process was clearly quite tough (Lismoen 2017, Rushprint 2014, Berge 2013). Both companies have also tried to establish a more unified Nordic approach to both corporate structure as well as content produced. However, at least from Nordisk Film Distribusjon's perspective, this is changing at the moment.

"I think it's heading in the opposite direction now, towards supporting the local and the importance of being strong in each country. Optimising in each country to get a better total. (...) Five or six years ago we were very focused on releasing the same movies in all countries and creating the "Nordic blockbuster". Which we [then] saw was very, very difficult. There are very few movies that work across the borders, and you might get it to work in two countries but lose everything in a third."

Another key strategic development from the distributors was to acquire stakes in production companies. Both SF Studios and Nordisk Film Distribusjon have bought or established Norwegian production companies. While owning production companies means investing more in each film and thus increasing risk, this also allows them to partake in all the profits of a success.

“When it works, you kind of get double profits, and when it doesn’t work you’ve probably invested more.”

Owning production companies is also a way for the distributors to partake in the series boom fuelled by the streaming services, a market where the traditional film distributor has little or no stake.

“Now that we’ve bought Paradox, look at what they’ve been doing: a series for HBO. We’re producing shows for Netflix, several shows for Viaplay.”

Finally, owning production companies is a way to secure new titles in a market where acquisition of foreign titles is becoming more difficult.

“This is a clear strategy for us. How the mix of what we’re doing is supposed to be, how we generate income. If you don’t have local, how can you compensate with foreign when there are so many others out there buying? It’s not easy; it’s a very different level of competition now.”

“Differentiating is becoming more and more important, and local content is really the only thing you can acquire that the big giants don’t have. So, we see that local content is getting more valuable in the market, and that the competition is increasing.”

Acquisition strategies

A key aspect of the Norwegian distribution companies is their inability to fully fund, and therefore to green-light, projects, and their reliance on foreign titles to secure a steady volume of titles and to balance the higher risk of local productions. For both SF Studios and Nordisk Film Distribusjon, the 2019 slate was more or less typical compared to the findings in the previous chapter.

Table 13: Local titles released by SF Studios in 2019

Title	Production Company ⁴⁹	NFI Support	Reported budget	Screenplay based on
Amundsen	Motion Blur (49%)	NOK 15 M (Market)	NOK 75M	Historical events
Operasjon Mumie	Filmkameratene (50%)	N/A		Children's book series
De dødes tjern	Pryser Film	NOK 100 000 ⁵⁰ (Artistic)	NOK 18M	Novel that was also the basis of a well-known movie with the same title from 1958
Swingers	Storyline	N/A		Remake of a Latvian hit
Håp	Motlys	NOK 11M (Artistic)	NOK 29M	Original story

Table 14: Local titles released by Nordisk Film Distribusjon in 2019

Title	Production ⁵¹ company	NFI Support	Reported budget	Screenplay based on
Ut og stjele hester	4 1/2	NOK 12M (Artistic)	NOK 39M	Novel
Askeladden - I Soria Moria slott	Maipo (50.1%)	NOK 15M (Market)	NOK 60M	Sequel based on fairytales
Kaptein Sabeltann og Den Magiske Diamant	Qvisten	NOK 15M (Market)	NOK 38M	Franchise
Spionen	4 1/2	NOK 14M (Artistic)	NOK 14M	Historical biography
Snekker Andersen og Julenissen: Den vesle bygda som glømt at det var jul	Fantefilm	NOK 7M (Market)	NOK 29M	Sequel based on book
Tunnelen	Nordisk Film Production (100%)	NOK 7M (Market)	NOK 35M	Original story

While both SF Studios and Nordisk Film Distribusjon released about the same number of Norwegian titles, the total budget of the films distributed by Nordisk was likely twice the number for the films distributed by SF. Of the two distributors, only SF Studios released movies that had not received NFI support.

The local 2019 slate of both companies were also leaning heavily towards "known" content. They released nine of the 11⁵² fiction films based on historical

⁴⁹ Share of SF Studios ownership in parentheses

⁵⁰ Development support only, no production support.

⁵¹ Share of Nordisk Film ownership in parentheses

⁵² If *Astrup - Flammen over Jølster* is considered a documentary, it is stylistically a hybrid and could as easily be considered historical fiction.

events, books, or franchises, and only two of the seven films based on original screenplays. They did not release any documentaries in 2019.

Informants confirmed that known content, and especially franchises, were considered easier to sell and predict. Franchises also created value, as new releases in cinemas boosted sales of previous instalments. However, distributors were once again hesitant to consider any aspect of the business “easy”

“It feels like, in a market that is very unstable, it feels like the least unsafe thing you can do. Even if audiences are beginning to ask for more original and different content, so we have to see if going forward there will be more original and different content. The problem is that what audiences say and what they do are often different things.”

“You have more to base it on, you can do more stuff like bundling. You can get a bigger fanbase, though it not always the case. We saw that with *Karsten og Petra*, at first, audiences kept growing, but when it came to the fourth film it started falling and falling. (...) It is not every movie that is like *Avengers* or the *Fast and the Furious* that just keeps growing. Most of the sequels we work with are children’s movies, and that has worked up to a certain point where it has started to fall.”

Of the four franchise films released by SF Studios and Nordisk Film Distribusjon in 2019 only *Snekker Andersen og Julenissen: Bygda som glømte at det var jul* did well. *Askeladden i Soria Moria slott* and *Kaptein Sabeltann og den magiske diamanten* underperformed slightly, leading Nordisk Film Distribusjon to be sceptical whether they would get another sequel.⁵³

The inclusion of a Christmas movie in Nordisk Film Distribusjon’s lineup is, however, an example of a clear content strategy. Nordisk has released a children’s Christmas movie every year since 2015.

⁵³ In 2021 Qvisten Animasjon was awarded NOK 5M by NFI to produce another *Kaptein Sabeltann* movie.

“Something happened when *Karsten og Petras vidunderlige jul* did 100,000 more than the previous Karsten and Petra film. After that it was easy to go to producers who have a brand and say that if you do a Christmas movie, you can count on about 100,000 extra admissions.”

While Nordisk Film Distribusjon could not directly order or green-light Christmas movies, all the production companies they regularly work with came up with ideas for Christmas movies. Enough of these projects have also received funding so that Nordisk believe they will have had a family-oriented Christmas movie every year to 2025 at least.

“It’s one of the more concrete things we can do. We also say that we try to have at least one national adult-oriented blockbuster, and we also want quality movies, maybe some talent building, and perhaps a comedy. (...) It’s difficult to create a strategy, especially these broad comedies that we want to make; that’s a kind of movie that never gets [NFI] support.”

One informant also expressed fear that the ongoing changes in the global film industry would force them into playing it even more safe with upcoming movies.

“Now that [Disney’s acquisition of Fox] is approved there is nothing we can do about it, but of course it makes competition harder and big films become even more important. There’s no doubt that this makes it more important to get the right movies, the ones that make money, and that there will be less focus on the more challenging movies, talent development and so on. We have to play it safer. I think that will happen across the industry. If the big ones become as big as it looks now, there will be less room.”

Table 15: Foreign titles released by SF Studios in 2019

Title	Acquisition type	Source	Country of origin
The Informer	Output deal	Warner	UK/USA
The Hustle	Output deal	MGM	USA
Legofilmen 2	Output deal	Warner	Australia/USA
Second Act	Output deal	STX	USA
Britt-Marie var her	Sister Company	SF Studios	Sweden
The Mule	Output deal	Warner	USA/Canada
Vice	Output deal	MGM	USA
Cold Pursuit	Output deal	Studio Canal	Canada/France/Norway/UK/USA
Mia and the White Lion	Output deal	Studio Canal	South Africa/Germany/France
Shazam!	Output deal	Warner	USA
Teen Spirit	Output deal	STX	UK/USA
The Curse of La Llorona	Output deal	Warner	USA
Kule Kryp 2	Output deal	Studio Canal	France
UglyDolls	Output deal	STX	Canada/China/USA
Godzilla: King of the Monsters	Output deal	Warner	Canada/China/Japan/Mexico/USA
Asterix: trylledrikkens hemmelighet	Output deal	Studio Canal	France
Pokémon: Detective Pikachu	Output deal	Warner	Japan/USA
Sauen Shaun filmen: Farmageddon	Output deal	Studio Canal	France/UK
Booksmart	Output deal	STX	USA
Annabelle Comes Home	Output deal	Warner	USA
Joker	Output deal	Warner	Canada/USA
It: Chapter Two	Output deal	Warner	USA
Blinky Bill Filmen	Output deal	Studio Canal	Australia
Doctor Sleep	Output deal	Warner	USA
Familien Addams	Output deal	Studio Canal	Canada/USA
Hustlers	Output deal	STX	USA
Black and Blue	Output deal	Sony	USA
Blinded by the light	Output deal	Warner	UK
Countdown	Output deal	STX	USA
Western Stars	Output deal	Warner	USA

Table 16: Foreign titles releases by Nordisk Film Distribusjon in 2019

Title	Acquisition Type	Source	Country of origin
The House That Jack Built	Sister company	Nordisk Film Distribution	Denmark/France/Sweden/Germany
Hunter Killer	Output deal	Lionsgate	China/UK/USA
Green Book	Output deal	Lionsgate	USA
After	Stand alone deal	Voltage	USA
On the Basis of Sex	Output deal	Lionsgate	USA
John Wick: Chapter 3	Output deal	Lionsgate	USA
Long Shot	Output deal	Lionsgate	USA
Midsommar	Sister company	Nordisk Film	USA/Sweden
Lords of Chaos	Local co-producer	4 1/2	UK/Sweden
Rutete Ninja	Sister company	Nordisk Film Distribution	Denmark
Angel Has Fallen	Output deal,	Lionsgate	USA
Journal 64	Sister company	Nordisk Film Distribution	Denmark/Germany
Quick	Sister company	Nordisk Film	Sweden
Knives Out	Output deal	Lionsgate	USA

With 30 foreign titles, SF Studios had just over twice as many foreign titles as Nordisk Film Distribusjon's 14. SF Studios' slate was also more successful, generating almost 1.5M admissions compared to just under 600,000 for Nordisk Film Distribusjon.

The foreign slates of both companies were dominated by films acquired through output deals, and together the companies only released one title acquired outside of output deals or existing company relations. Both companies had most titles from the USA, but the StudioCanal deal gave SF Studios several European titles and Nordisk Film Distribusjon acquired several Scandinavian titles from their

sister companies. SF Studios only had one Scandinavian title acquired from their sister companies.

Titles from other companies within the conglomerate are the cheapest acquisitions, as there is generally only a revenue share agreement and no minimum guarantee. However, releasing any title is still costly.

“It costs money to get a movie in cinemas. There are release costs, there’s marketing. (...) And there’s also the question of capacity, both internally and in cinemas. You spend capacity that will affect other titles.”

With titles from the Hollywood output deals, marketing costs are often covered by the studio. However, they can still become too expensive. Distribution rights are still paid for on a per film basis, and sometimes movies do not go as well as expected.

“You know, Hollywood movies always seem very big. They’re very good at packaging – things look very good when they first present them. And sometimes that candy is not as sweet as it was made to look. (...) We commit to a sum at a very early point, so it is difficult.”

For Nordisk Film Distribusjon, foreign titles were mainly a way of keeping the lights on. While not without risk, foreign titles are a much more predictable source of income than local titles.

“I would love to say that [foreign titles] are steady earners, but it does vary a lot. Some of our deals are quite expensive. However, when a foreign title does well, it is great for business. While there are a lot of fixed costs, the risk is also a lot lower. (...) Norwegian movies are our first priority, it’s what we spend the most time and money on. But we have to have a Hollywood deal as well to make ends meet. Otherwise, the deviations, the variations in the market become too big. The revenue line from the foreign movies is a bit straighter than the local one.”

Releasing foreign titles, especially big studio movies, is also a learning opportunity. These titles have plans and marketing already prepared when the Norwegian distributors bring them to market.

“We get plans for big movies from our Hollywood partners, and we learn a lot from it. We learn how they do things differently, how they think. They are really good at thinking big about everything. Which is inspirational – we’re going to get even better at it.”

In total, the 2019 slates of SF Studios and Nordisk Film Distribusjon were typical of the findings from the previous chapter and in line with their overall strategies of the last decade or so. While both companies invest in high budget local movies, Nordisk Film Distribusjon invest the most, and while both companies rely on foreign titles and output deals, SF Studios has bigger deals and more titles.

Cinema release strategies

Table 17: Cinema performance of SF Studios’ local releases in 2019

Title	Release date	Admissions	2019 Rank	Performance
Amundsen	February 15	209,458	13	Below expectations
Operasjon Mumie	October 18	101,633	31	Below expectations
De dødes tjern	November 1	17,650	96	Below expectations
Swingers	October 10	10,096	128	Below expectations
Håp	November 22	46,684	61	As expected

Table 18: Cinema performance of Nordisk Film Distribusjon’s local releases in 2019

Title	Release date	Admissions	2019 Rank	Performance
Ut og stjele hester	March 8	105,680	29	As expected
Askeladden - I Soria Moria slott	August 23	261,384	8	Below expectations
Kaptein Sabeltann og Den Magiske Diamant	September 27	257,241	9	Below expectations
Spionen	October 18	81,563	40	Below expectations
Snekker Andersen og Julenissen: Den vesle bygda som glømt at det var jul	November 8	421,017	4	As expected
Tunnelen	December 25	221,351	39	Slightly below expectations

2019 was not a particularly good year for Norwegian movies, or for Norwegian cinemas in general. Norwegian titles did 2M admissions out a total of 11.3M, giving a market share of 18.4%. The average of the last decade was 2.6M, 11.8M and 21.9%

respectively. A total 257 new titles had regular releases in Norwegian cinemas in 2019.

The slightly disappointing result for the industry as a total is also reflected in the results by SF Studios and Nordisk Film Distribusjon's Norwegian slate. The only release that was a clear profit maker was *Snekker Andersen og Julenissen: Den vesle bygda som glømt at det var jul*. While *Ut å stjele hester* also did as expected in Norwegian cinemas, it did not do as well internationally as hoped and likely faced a loss. One informant expressed a general disappointment in the 2019 slate:

"I think [the other distributors] also have the same feeling, that things didn't work out like they'd hoped. I don't think there were any local films this autumn that delivered what was hoped for, or needed. And I'm afraid that this is a general trend."

All of SF Studios and Nordisk Film Distribusjon's 2019 local acquisitions had a cinema release prior to home entertainment release. While NFI has stated that they are awaiting the first Norwegian fiction film to have a digital release as its first window, the distributors did not see this as a viable option. Not only is 60% of the income generated from the cinema box office, but the ex post support is also dependent on reaching a threshold of cinema admissions.

While the ex post support is paid directly to producers, and not to distributors, it is a crucial part of the financing for any Norwegian movie. According to one informant, the cinema release is also the focus of most producers and creatives involved in making the movies.

"If we have a local title, it is going to be in cinemas. The rights holders don't necessarily care that much about the next windows – the cinemas are the important showcase. They want to make a deal with somebody who will give them cinema distribution."

However, one informant was open to the idea that some titles could be better served with alternative release strategies, if the economics allowed it.

“It is very important for producers to get the film in cinemas, but as we’ve said many times, there’s no basic right to cinematic distribution. There are about 260 titles each year, and that’s already way too many. I’m convinced a lot of that should be event screenings and other special events, or go straight to some kind of platform.”

The local 2019 release schedules of SF Studios and Nordisk Film Distribusjon were also typical. Both companies released one title each in the spring, and the rest at the end of summer and throughout autumn. Summer, and the last part of spring, is generally avoided for local movies because the weather is nice.

“That’s what we call the “dead period”. The sun is out; it’s exam time; clothes are coming off, so to speak; people are focusing on other things. (...) We’re a simple kind of people in that regard – if the weather is good, we’re outside. If it’s bad, we go to the cinema – unless it’s too bad; then we stay at home.”

Great weather also impacted the release of *Askeladden i Soria Moria slott* and *Kaptein Sabeltann og den magiske diamanten*. The opening weekend of *Askeladden i Soria Moria Slott* had great weather, while *Kaptein Sabeltann og den magiske diamanten* was struck by a period of uncharacteristically warm weather after the opening.

“I’m not saying that the biggest problem with the climate crisis is that our films are in trouble, but it does affect how we release movies. The last weekend of August used to be a great date for us; now we’re not sure anymore. (...) Suddenly we sit around being afraid of the warm weather for a film released in October. The period we consider great for releases is getting smaller and smaller, and that is a challenge.”

Askeladden i Soria Moria slott did well after the disappointing opening weekend, but it still came in below target.

“*Askeladden* did pretty well after the opening weekend – it had a 15-20% drop, which is low. (...) But the problem is that if you open too low, you’re never going to get it back. So, the numbers are good based on the opening, but we’re missing 100,000. (...) It’s a pretty crazy business we are in. We spend years and

millions of kroner to make a movie, and if the weather is nice on opening weekend, it doesn't work. It's pretty brutal."

Even with the release of *Snekker Andersen og Julenissen: Den vesle bygda som glømte at det var jul*, there was some concern about the weather. While Nordisk Film Distribusjon was hoping for a thin layer of snow to set the Christmas mood, too much snow would not be good either.

"You can have a thin layer of snow, but not enough to go sledding or skiing. You don't want snow that can actually be used for anything."

For Nordisk Film Distribusjon, the release of family Christmas movies has also been a way to claim one of the two best weekends of the year. The first weekend of November each year is "Day of the Cinema" and tickets are half-price; Nordisk generally tries to have its Christmas movie ready for previews on this weekend and then open the following weekend. The company has also claimed December 25 every year since 2016, and in 2019 released the moderately successful *Tunnelen* on this date.

"Christmas is great. You have daytime screenings that work, and there are a lot of days off."

In 2020 Nordisk Film Distribusjon had planned on releasing *Kampen om Narvik – Hitlers første nederlag* (*Narvik: Hitler's First Defeat*, Skjoldbjærg 2022) on December 25. The movie was originally set for a February 2021 date, but the shooting schedule had been re-arranged to be able to make the earlier date. In the end, *Kampen om Narvik – Hitlers første nederlag* became severely delayed. The December 25, 2020, date was abandoned when the production hit delays because of COVID-19-restrictions. Nordisk Film Distribusjon instead released *Den største forbrytelsen* (*Betrayed*, Sevensson 2020) on that date, despite severely limited cinema capacity. *Kampen om Narvik – Hitlers første nederlag* was rescheduled to December 25, 2021, but a new lockdown in Oslo limited cinema capacity again and the release was delayed until March 18. However, as Russia attacked Ukraine on February 24, *Kampen om Narvik –*

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Hitlers første nederlag was once again delayed. At the time of writing, it is again scheduled for December 25, now in 2022.

Speaking prior to all these delays, Nordisk Film Distribusjon did not imagine going for the December 25 date beyond 2020 to avoid conflict with the *Avatar* (Cameron 2009) sequels originally planned for release in December 2021 and onwards. In the end they have had to brave a release just nine days after *Avatar: The Way of Water* (Cameron 2022).

“We talked about it. Do we believe the hype is gone? But no, it’s going to be huge again, so going up against it would be super risky”

In the case of *Spionen*, Nordisk Film Distribusjon chose to move the premiere date from its scheduled September 20 date. This was partially to have more time to finish the film, but mainly to avoid *Downton Abbey* (Engler 2019) which later came in as a September 13 release.

“If we had pushed, we would have met the [original] date. But it was mainly because of *Downton Abbey*, which was slated the week [before] us. We saw pictures and heard reviews from England, and we saw from the test screenings that it worked very well with adult women (...) which was also the audience we were aiming for. And Hollywood almost never moves when they’ve set a date, so it was up to us to find another.”

With the new date, *Spionen* was released on the same day as SF Studios’ *Operasjon Mumie*. While Norwegian distributors generally avoid releasing local titles on the same day, Nordisk Film Distribusjon found this particular clash unproblematic.

“There is a gentleman’s agreement that you don’t release on the same date, but when the target audiences are this different, it’s not a challenge. (...) Of course, one challenge is that we’re already struggling to get PR for our films, so if we were to have press days at the same time, that would be a problem. So, we coordinate it so that there’s no conflict there, [and we have] different press days and premiere events.”

A major challenge for both distributors was the “pileup” of children’s movies in the autumn of 2019. Nordisk released three, SF released one, and there were also three titles from Disney and several others. Nordisk admitted that they were obviously a part of the problem, and that they had discussed moving some of the children’s movies to the following year.

“We went into discussions with all the producers to see if we could move to next year, to make more room. It didn’t happen, and we probably should have, but there’s that optimism again. “We’ll find room, it will work out.” (...) [The producers] often have very high loan costs, and there’s the momentum of having finished a movie and just having it lying around for six months or a year. I understand that it is difficult.”

Both SF Studios’ *Håp* and Nordisk Film Distribusjon’s *Ut å stjæle hester* had their world premiere at international festivals. *Ut å stjæle hester* premiered at the Berlin International Film Festival February 9, was then screened at the Norwegian festival Kosmorama March 5, before the regular premiere March 8. For *Håp*, SF Studios chose a longer gap from the premiere at Toronto International Film Festival at September 7 to the Norwegian premiere at November 22, probably to get a release closer to Christmas as the movie takes place during the holidays.

All the 2019 local movies released by SF Studios and Nordisk Film Distribusjon opened wide, with some previews the only exception. As discussed in the previous chapter, almost all movies in Norway open as wide as possible, which after the digitalisation of cinemas generally means that no cinemas are added after opening week.

“We do event screenings, early screenings where the director hosts an in-person introduction, and things like that. But we rarely open in the big cities and then wider after. I don’t think that has happened at all, actually.”

While the distributors are discussing alternative release strategies, implementing such strategies require the cooperation of cinemas. Who until now have generally required national premieres if they were to screen a title at all.

“We talk about it, and it could probably be a good idea, to get word-of-mouth going and find out if this is something for the smaller cities. I know that some of the smaller cities are starting to wait a bit, actually, and see how it opens before they decide to take a movie or not. But then again, distributors and cinemas are always positive and think that the movie will be bigger. And I also guess that it was a bigger problem earlier, where the cinemas weren’t used to getting premieres. That was very important for them, after spending so much money on digitalisation, to at least get premieres. Now they are starting to see that some movies need time to establish themselves, but most go wide at once.”

From the distributor perspective, the cinemas are also too quick to abandon underperforming titles and are too willing to give new titles many screens.

“Everyone in this business is slightly too optimistic, and that includes the cinemas. And they are generally optimists on behalf of the premieres. New films tend to get too much capacity, not always, but often too much compared to an older film that could have gone better. Simply because you don’t know how well it will go, and you want the capacity in case people show up. I discuss this a lot with the cinemas – I think that since we became digital, they can spend more time adjusting the programming. (...) Adjust during the weekend when the business is happening. It’s useless to wait until next Thursday.”

When a film is finally released, the distributors rarely make significant changes to the strategy. In 2019, all home entertainment release dates were set well before the cinema premiere and none changed. There was some room to adjust the marketing, but mainly to reduce it when a film failed completely.

“We do an assessment on the Monday, or more likely during the opening weekend, on how the marketing campaign is going. Digitally, we adjust all the time as we see what material works and what doesn’t, but we tend to stay with

the original budget. Of course, if it falls completely flat we might cut it and not run advertisements for the second weekend, but that very rarely happens with Norwegian movies”.

When *Ut å stjæle hester* opened better than expected, Nordisk Film Distribusjon did not increase the spend. However, the company did attempt to leverage the film’s popularity among older audiences.

“There was no room to increase the media spend or anything like that. If anything, we could have reduced the spend as it was already doing well. But we had a lot of upcoming events, and worked with the cinemas to get them to do senior screenings, particularly. They went very well – many cinemas had to cut the danishes in half to get enough for everybody. (...) We also did some ads where we got permission to use quotes from regular people’s Facebook posts.”

Digital ads and social media platforms are a large part of the marketing spend, but for the bigger projects, traditional media still has the largest part of the marketing spend.

“It varies, but on a smaller movie it could be 60-70% digital. On a bigger movie like *Askeladden* we have an outdoors campaign, we have TV ads, so it could be 20-30% digital.

Other marketing efforts such as product placements and third-party marketing campaigns are initially the responsibility of the production company. However, when it comes to the actual marketing campaigns, the distributor usually comes in to coordinate. With *Kaptein Sabeltann og den magiske diamant*, a brand of soap, Lano, was a major contributor to the television spend.

“Previously, we would have thought that we could have reduced our marketing budget, since Lano spent a lot on television ads. Now we don’t cut the budget anymore, just because we are desperate to get the opening weekend as big as possible. Instead, we coordinate theirs and ours TV campaigns to cover more ground.”

With December 25 releases, such as *Tunellen*, ad spending has to be adjusted compared to a traditional marketing campaign. The trailer for *Tunellen* first premiered on the TV2 news on Saturday, October 26. However, before Christmas both advertising costs and consumer attention come at a premium, so Nordisk Film Distribusjon chose to start the marketing push late and concentrate the spend close to the premiere.

“We’ve been lying low because we want it to appear big and blow it up close to the launch. (...) There will be some ads before Christmas, but we’re going heavy in the week after, when it’s also cheaper to buy media.

With the exception of *Spionen*, Nordisk Film Distribusjon was awarded the maximum marketing support by NFI for all of its 2019 titles. SF Studios got the maximum amount for *Amundsen*. The total marketing spend for these titles, especially *Amundsen*, *Kaptein Sabeltann og den magiske diamant* and *Askeladden – I Soria Moria slott* which had campaigns financed by third parties, might therefore be considerably higher than the minimums listed in Table 6.

Both SF Studios and Nordisk Film Distribusjon conduct awareness tracking of local titles, which is something the other local distributors don’t have the resources for. However, while increased marketing spend gives higher awareness, both distributors stressed that successfully marketing a movie was not only a question about getting people inside the cinemas. The film also has to deliver on the audience expectations that the marketing has created. With *Tunellen*, Nordisk Film Distribusjon was worried that audiences were expecting a disaster movie in the vein of their previous successes *Bølgen (The Wave, Uthaug 2015)* and *Skjelvet (The Quake, Andersen 2018)*.

“We’ve been trying to avoid the disaster movie genre tag. While it’s nice that *Skjelvet* and *Bølgen* get a mention in the press we’re getting, [*Tunellen*] isn’t a spectacular film like they were. It’s a more claustrophobic drama, and it’s important that people don’t go in expecting extraordinary spectacle.”

Reflecting on the disappointing cinema results for *Amundsen*, SF Studios felt that the message from marketing might have been one of the reasons.

“Maybe we were not honest enough in the trailers and communication that this is a biographical movie, and not an action film mainly about the race to the South Pole. (...) The movie is great, great story, great directing, but people don’t get what they are expecting.”

Table 19: Cinema performance of SF Studios’ foreign titles released in 2019

Norwegian title	Premiere	Admissions	2019 Rank
The Mule	January 11	13,223	109
Second Act	January 18	10,770	123
The Informer	January 18	5,961	170
Vice	February 1	13,889	105
Mia and the White Lion	February 8	12,227	116
Legofilmen 2	February 15	93,743	35
Cold Pursuit	March 1	16,568	98
Kule Kryp 2	March 8	23,109	82
Britt-Marie var her	March 22	10,550	126
Shazam!	April 5	69,717	43
Asterix: trylledrikkens hemmelighet	April 12	42,257	59
Teen Spirit	April 26	1,954	252
The Curse of La Llorona	May 3	21,334	87
The Hustle	May 10	22,648	84
Pokémon: Detective Pikachu	May 10	141,155	23
UglyDolls	May 24	13,152	111
Godzilla: King of the Monsters	May 31	36,340	68
Booksmart	June 21	9,070	135
Annabelle Comes Home	June 26	95,916	33
Blinky Bill Filmen	July 5	10,039	130
It: Chapter Two	September 9	151,604	21
Blinded by the light	September 27	3,031	221
Joker	October 4	452,807	3
Hustlers	October 25	29,670	75
Familien Addams	November 1	51,148	51
Doctor Sleep	November 15	18,426	94
Sauen Shaun filmen: Farmageddon	November 22	41,360	71
Black and Blue	November 29	1,393	295
Western Stars	November 29	1,563	280
Countdown	December 25	27,093	127

Table 20: Cinema performance of Nordisk Film Distribusjon’s foreign releases in 2019

Title	Premiere date	Admissions	2019 Rank
Hunter Killer	January 4	16,417	103
The House That Jack Built	January 25	4,180	217
Green Book	February 1	118,572	26
Lords of Chaos	March 22	3,633	214
On the Basis of Sex	April 5	7,949	149
After	April 12	51,213	49
Journal 64	April 12	6,858	162
Long Shot	May 3	17,045	97
Rutete Ninja	May 25	147,346	22
John Wick: Chapter 3	May 31	89,175	37
Midsommar	July 26	18,228	95
Angel Has Fallen	August 30	33,227	70
Quick	September 27	5,614	174
Knives Out	December 6	71,187	53

In contrast with their local slate, Nordisk Film Distribusjon’s foreign releases leaned heavily towards spring, only two foreign titles were released in the competitive autumn months.

SF Studios’ foreign releases followed the general pattern of foreign releases found in chapter four. Foreign movies were released quite evenly throughout the year, with the exception of a dip in July and August and a spike in November. The Warner movies generated 1.1M admissions of a total of approximately 1.5M admission on SF Studios’ foreign titles.

Both SF Studios and Nordisk Film Distribusjon also released a number of foreign titles directly to the home entertainment market. In 2019 SF Studios registered 120 VOD titles for the Norwegian home entertainment market in Videogramregisteret and Nordisk Film Distribusjon registered 85 titles. In at least one case, a foreign movie was released in cinemas largely to gain value in the home entertainment markets.

“There are some films that [the cinema division] doesn’t want to release, where we see potential in later windows. “What does the cinematic release cost, can we break even?” (...) [Title] did just about break even in cinemas, and now it is

doing great on digital platforms. (...) You have to take a wider perspective and see the whole calculation, and I think that is the best partner a producer can have, even if they largely live in the cinema world.”

Home entertainment release strategies

For a home entertainment release the major strategic decisions are when to release the title in the different formats followed by choosing a price point. While it is important to achieve prominence on the platforms, the distributors had limited means of achieving this, as most platforms did accept paid placement of titles.

Both SF Studios and Nordisk Film Distribusjon handled the home entertainment market internally and had people dedicated to it, as opposed to the low-resource distributors who tended to either use a sub-distributor or have the same people juggle home entertainment and cinema releases.

For local movies, the home entertainment market was much smaller than the cinema market, both in terms of value and in terms of absolute audience numbers. The smaller returns result in smaller marketing campaigns and leaves the local titles disadvantaged with the major platforms where the sheer number of titles is huge.

Working with the various local platforms also has its challenges. These are generally run by companies that have traditionally not been a part of the film industry, but are cable providers, electricity companies and internet providers. The lack of film background is not perceived by the informants as a problem in itself, as they can work closely with the platforms. However, the bigger challenge is that film dissemination is a small piece of what these companies do compared to their main businesses.

“It’s not a challenge that they, in general, don’t have a film background because the important thing is to see what is commercial, and what is right for the audiences and make sure there is a variation. We do spend a lot of time working with them and give them input on having the right mix and not just the obvious number one hits because that doesn’t show the breadth of the service. (...) It’s

probably a bigger challenge that film is a very small part of their business, compared to TV channels and set-top boxes and internet service. (...) The development of software and hardware is also generally slow, so changes in the market take a long time to be absorbed into the organisations.”

The informants largely felt that the digital home entertainment market was still developing rapidly, and they were actively endeavouring to make it more profitable.

“We want to build an EST market for the future. To get people to start buying and collecting movies.”

While EST was their best hope for replacing lost home entertainment revenue, it was still not generating enough.

“We’ve put great resources towards EST and made campaigns for EST. We see that it works. It just doesn’t work enough”.

One informant felt that they did not prioritise home entertainment enough, and that it should be a part of the strategy from the first talks with the producers.

“It’s very important that the producers don’t just talk to the cinema people about contracts and possibilities and rights if they don’t have the complete picture.”

Window length

From 2008 to 2018⁵⁴ SF Studios tended to have slightly shorter cinematic windows than Nordisk Film Distribusjon, and that both distributors had shorter windows than the other local distributors. While no such pattern is evident from the 2019 releases⁵⁵, both SF Studios and Nordisk Film Distribusjon expressed that it was important to keep the windows relatively short. However, when it came down to each individual film, many practical concerns shaped the decision on the final date.

The main reason for pushing for shorter windows is to keep attention on the cinematic release, especially as the revenue from home entertainment has dwindled.

⁵⁴ See Figure 24 in the appendix.

⁵⁵ See Figure 25 in the appendix.

“The big difference is that I have less to spend. When you released a movie, and it did 20 million kroner, and now it does 2 million kroner, it says something about how much you can spend. (...) So we work a lot on getting attention to the cinema release, where we have a bigger spend and create a lot of attention. Which lasts for a while, and then it will naturally fall because so much else is coming, and there will always be a window, but I try to shorten it if I can.”

The length of a cinematic window is decided by the distributor on a title by title basis. There are no general agreements or regulations that enforce window length, but distributors are mindful that cinemas have certain expectations.

“It is always an internal discussion (...) on each title. How long or short windows do we operate with. What is strategic, for both [home entertainment and cinema]? When are we stepping on the toes of the cinemas, when are we not? When are we stepping slightly on their toes, but the pain will pass quickly? And you’re always looking if there is anything special happening – holidays, other events, competing movies.”

While the distributors do not have discussions directly with the cinemas about window length, they must reach agreements with producers, who often are more concerned about cinemas than the distributors are. At least in SF Studios’ case the standard contracts specify a four-month cinematic window, which means that in with the exception of *De døde tjern* all the contracts had to be renegotiated before home entertainment release. *Swingers* had the shortest cinematic window of all the SF titles of 2019, and the producer was initially hesitant to such a short window of only 73 days.

“My argument was revenue. The producer’s argument was to be considerate of the cinemas, afraid to step on their toes and cause harm to the most important revenue stream. (...) I respect the cinema window, and we don’t want to step on their toes – too much. But you also have to push it a bit. They should not be able to dictate to us when we see that it’s not in the best interests of the project.”

Neither SF Studios nor Nordisk Film Distribusjon adjusted their cinema windows based on performance in cinemas. In each case, the home entertainment releases were planned before the cinema premiere, and the dates were not changed.

The cinematic windows of SF Studios and Nordisk Film Distribusjon were flexible, SF ranged from 73 to 143 days and Nordisk, not counting the Christmas movie *Snekker Andersen og Julenissen: Den vesle bygda som glømte at det var jul*, ranged from 87 to 115 days. However, they were also somewhat conservative. Only *Swingers* and *De Dødes Tjern*, both movies that performed well under expectations, had genuine “dark windows” where they did not play in any cinemas at all. However, all titles reached more than 97% of their cinematic admission before EST, and all non-children’s movies reached close to or above 99%.

Except for *Swingers* and *Operasjon Mumie*, SF Studios expressed that they would have wanted earlier home entertainment releases than they achieved. *Amundsen* was released slightly late to accommodate a campaign on the physical release and also to avoid the releasing in May which is considered a poor month also for home entertainment releases, while June is considered quite good. *Håp* was released slightly late at the producer’s request to accommodate festival participation, and *De dødes tjern* was also released late because of a cinematic release in Denmark. However, since it was already a late release SF Studios opted to wait until Easter to release it as Easter in Norway is associated with crime, thrillers, murder and to a lesser extent horror.

The ideal dates for home entertainment releases generally overlap the ideal dates for cinema releases. The “dead period” of April/May apply in both cases, and Christmas releases are ideal at home as well. However, where few titles are released in cinemas in June, it is considered a good period for home entertainment and saw the release of both *Amundsen* and *Ut og stjele hester*. The week before Christmas saw three releases from SF Studios and Nordisk Film Distribusjon, *Askeladden i Soria*

Moria slott, *Kaptein Sabeltann og den magiske diamant* and *Swingers*. However, while Christmas is a good period, the first half of December is generally avoided now.

“It is pretty interesting how that has changed. Earlier, it was extremely important to release the physical product in time for Christmas, so you had to release in the middle of November to get the Christmas sales. Now, there’s no point in releasing anything before December 25. People don’t have time, and it’s not a gift anymore. It’s almost a bad period to release a physical product before Christmas, since people don’t have the time.”

The variations in Nordisk Film Distribusjon’s windows are also mainly explained by seasonal considerations. *Askeladden i Soria Moria slott* and *Kaptein Sabeltann og den magiske diamant* were released close together right before Christmas, which is considered a good period, as opposed to November/the first half of December, which Nordisk considered a bad period, as movies are no longer gifts and the period is very busy. *Ut og stjæle hester* was released in June, *Spionen* was released in time for the winter holidays, and *Tunellen* released in time for Easter. *Snekker Andersen og Julenissen: Den vesle bygda som glømt at det var jul* was released in time for Christmas in 2020.

None of the informants wanted any kind of fixed window arrangement similar to those found in Sweden and Denmark. However, there was a shared impression that it would be better for the movies if they could shorten the windows somewhat without negative reactions from the cinemas. The shortest window any informant proposed as ideal for a specific title was seven weeks, close to the 45 days that was the shortest cinematic window on record at the time of speaking.

“[On foreign titles] we are very much affected by the mandatory windows of 120 days in Sweden and 122 in Denmark. If all the Nordic countries have the same release date, then they often want the same home entertainment date. Which means we wait for four months and lose a lot of attention from the cinema release. When I get to decide, I try to shorten that window as much as possible, until it is the right length. That could be as short as eight weeks.”

One informant also suggested that shorter windows could benefit the cinemas as well:

“We have seen that movies that still are in theatres get a boost when they are released to home entertainment. The cinemas don’t like it, but there is no reason to take it down if it is still selling tickets. And it’s the power of social media, when people write, “saw [children’s movie], fun for the whole family,” they don’t say where they saw it, in what window. So, it might as well promote cinema.”

One informant, however, related that cinemas had also reacted negatively to the practice of selling pre-orders.

“What pre-order does is that it gives you some indications [on how sales will go], both physical and digital. The volume is low, people generally wait until it is available. (...) The visibility is good, and I think that it should be good for cinemas as well. But there are many cinemas that very negative about it. They imagine that you put in an order and just sit there waiting until it arrives. I don’t believe that’s a real threat. But then there are many cinemas that believe that there should be a four-month window and demand it. To me, that’s backwards, and it contributes to giving us fewer new titles.”

Ultimately, decisions about the length of cinematic windows are a matter of negotiation with the producers, and a number of factors and experiences are taken into account.

“In the end, it is about money. There is no answer with double lines under; it’s gut feeling, it’s experience, it’s analysis. What did we do on previous titles, how did they perform? And there are always things that are different, how is the competition? (...) There are many factors at play, but in the end it is a question of what we and the producer think will generate the most money.”

With digital home entertainment market, there is also less transparency about release dates than with physical formats, when release dates were printed in industry magazines.

“There is no systematic way to know about these dates. Sometimes you see iTunes publishing a date, sometimes you pick up rumours. (...) We had a better overview when the physical releases dominated.”

With the exception of *Operasjon Mumie*, all of SF Studios’ and Nordisk Film Distribusjon’s local 2019 titles were released on EST before physical or TVOD. This was mainly because iTunes considers EST only titles to be in “early release” and give them higher prominence. This is not a strategy that the local distributors are particularly fond of, and one informant clearly stated that the important thing was to get “big money” from sales, whether they were from EST or physical, before “small money” from rentals.

“In my world, EST and physical releases are practically the same, so if I made the decision alone, they would have the same date. I have done so several times, regardless of iTunes. Sometimes it’s about practicalities, sometimes about production and logistics and campaigns. But there is a risk.”

The EST exclusive window for the other titles varied from seven to 35 days. The lengths of the different home entertainment windows were adapted to the target audiences, and their expected willingness to pay for an EST title. Children’s movies had the longest EST windows, as these films are viewed repeatedly.

“Target groups and their willingness to pay plays a role. On *De dødes tjern*, I’ll likely have a two-week window from EST to TVOD, and physical is likely to come at the same time as TVOD. For *Operasjon Mumie*, I’ll probably keep a longer [EST] window. More people are likely to buy it, since renting it many times will be expensive. With *De dødes tjern* the target group is young, and they are less willing to pay, so it’s likely that TVOD has the bigger share.”

All SF Studios’ and Nordisk Film Distribusjon’s 2019 titles had a physical release, and all were released on Blu-ray. The distributors say they are still trying to get physical releases for all their titles, but that the end of physical releases is coming

soon. One informant said that they really felt the end of physical releases getting very close.

“I’m not sure how honest we can be about it, but it was very uncertain if at least two of our [Norwegian] titles would get a physical release, simply based on the economics of it. But we found models and partners that ensured we could do it. (...) We go to great lengths to make it work. Because when *we* stop, then it is truly the beginning of the end. But you have to at least be able to make break-even.”

While all of the 2019 titles got a Blu-ray release, both SF Studios and Nordisk Film Distribusjon did DVD only releases in 2018. Blu-ray releases are a lot more expensive due to higher production costs and fees to Sony, so DVD only releases are not uncommon.

However, *Swingers* was a rare example of a movie released only on Blu-ray and not as a DVD. SF Studios decided to use the film as a low-risk opportunity to test an alternative strategy.

“If I had done what I usually do, I would only have released a DVD. But I found out that the pre-orders for Blu-rays were higher than DVDs, and since I couldn’t afford two formats, I decided to go for Blu-ray even if it is the more expensive format. (...) This is a movie that has a young target group, and they generally don’t buy physical releases, they are more digital. So perhaps the better, more expensive format would work better for older audiences that care less about price and more about quality. So, it’s a cool thing to try. The physical sales are not going to change much either way.”

With titles that were expected to be large, physical campaigns were sometimes planned and sold before the cinema premiere. Which meant that chains and/or wholesalers participated in the risk to a larger extent. If the movie did better than expected the wholesaler would have gotten a better deal, and if it did less than expected the distributor might still do well even if relatively few physical copies are

sold to consumers. For SF Studios, this saved some home entertainment revenue from both *Amundsen* and *Operasjon Mumie*.

While this means that for some titles the sale of physical copies can help shift the risk onto more partners, one informant considered the move towards digital home entertainment markets to be risk reducing overall.

“I don’t have stock, I don’t have same production issues, there is less chance of delays. I’ve lost truckloads of movies that made me abandon campaigns, or there is a strike in Europe, or you get the goods but half the boxes are broken. We have new challenges, but overall the risk is a lot lower digitally.”

The transition to digital formats had not, however, reduced the workload significantly.

“We still do a lot of the same tasks. You need metadata, you need a cover – in many variations. And with a lot of the things we don’t do any longer, the extra costs were services we paid for. So, it’s largely the same workload, but the big difference is the number of customers you have relations to. With 10 customers, I reach the entire globe, or at least the Nordic countries. It used to be that we were in direct contact with as many as 1,500-2,000 customers. “Meat, game and video”, that kind of places.”

Prominence and performance

When measuring or predicting the performance of a home entertainment release, the distributors use *conversion rate*, simply put the number of home entertainment transactions divided by the number of cinema admissions. In the DVD-era these could sometimes run as high as 50%, in other words a movie that sold 100,000 tickets would also sell 50,000 DVDs. However, in the current market, conversion-rates are much lower.

“In general, the conversion rate has fallen. When the DVD-market was at its peak, it could easily be 25-30%, now 10% is more common. (...) But it’s a lot more difficult to calculate conversion rates now, compared to when there were

physical media. So, we probably don't have the right conversion rates any longer. Perhaps, when all revenue streams are calculated, it could be as high as 20% or 25%."

Conversion rates also vary strongly from title to title and genre to genre. While horror-movies used to be one of the main staples of the video-stores, it is no longer a strong home entertainment genre, and horror movies generally have poor conversion rates. However, other classic video-genres such as action movies, light comedies, and World War II movies still do very well on home entertainment.

"I have to admit that for some reason helicopters, guns, and Nazis still work very well. And people find Norwegian war history very exciting."

Children's movies have also typically performed well in the home market, delivering strong EST numbers and therefore higher revenue per transaction. However, an informant felt that the stronger competition in the cinema window was also taking its toll in the home markets.

"It is a challenge, unless you're Pixar or Disney or something like that, it's no walk in the park anymore. It was often a success earlier, but it's much more demanding now."

Compared to other genres, children's movies tend to live a very long time on the platforms and over time get a lot of visibility.

"We see that they get a long tail. They live for a very, very long time and sell regularly, even if they don't peak as high in the first week as *Tunnelen* or other big productions."

While the distributors have awareness tracking on cinema releases, they do not have similar tools for home entertainment releases. They have no systematic tracking of the prominence of their home entertainment releases, but rely on market panels. In most cases, however, the platforms will inform the distributors on the level of prominence they can expect. While the distributor will try to achieve as much prominence as possible, it's a bit of a one-way process.

“It’s not so much a negotiation as it is a proposal. With some players, you have to convince them that this is a good title that deserves high prominence.”

While some platforms might accept paid positions, in most cases the level of prominence any given title gets is decided by the platform. However, the local distributors get the sense that the bigger wallets of the international studios do come into play, simply by being able to create huge demand internationally.

“You can affect [prominence] with the general marketing push. The more you invest yourself, the easier it is for [the platforms] to keep the prominence up. But that makes it difficult for us. With someone like Sony and a movie like *Angry Birds*, they can say that in all these territories we’ll be using this much money. That makes it easy [for the platforms] to press the button and push it in all territories.

With the local platforms, the distributors have room to affect the visibility of their movies by promising to spend more money on marketing, sometimes directly with the platforms.

“At the more local level we can say, “we will be putting this much into marketing, will you match it?”. Then I’ll put my money with them, and they’ll run the campaign with both their and my money. At other times we make more general campaigns with a landing page where the consumer can choose the platform where the sale might happen.”

Investing in marketing with or without direct involvement of a platform can therefore affect the level of prominence in editorial decisions.

“That makes it difficult of course because you’re up against Hollywood majors that work internationally and can do very different deals and promise marketing in all these different territories”

When a title underperformed at cinemas, the distributors adjusted their expectations in the next window on a per-film basis. In some cases, they believed that the high profile of the project would give good home entertainment numbers, as those who

did not see it in cinemas were likely to be interested once it was available in the cheaper windows. In other cases, expectations in the home entertainment window were cut according to the underperformance in cinemas. Among the 2019 releases discussed in the case, there were examples where the distributors kept a high estimate and were disappointed, as well as titles where the high estimate was fulfilled.

“We often say that if a film doesn’t reach the last 100,000 of its potential, then it increases the potential in home entertainment. Because people still want to see it, they just didn’t have the time or chose something newer after a while.”

The distributors generally have high levels of insight into the numbers on TVOD and EST, but except for services they run themselves, they have no insight into SVOD numbers for the titles they have sold to streamers.

“We don’t have any numbers from streaming. Perhaps the conversion rate is great — we don’t know.”

Informants also expressed that they wanted digital numbers to be shared, but also that they did not want the first out of the gate⁵⁶.

“It would have been interesting to know how others are doing, and how you’re performing relative to them. I’m not a secretive person, but the system has become like this. I think the streamers are setting precedent here, they keep everything very close-knit.”

⁵⁶ In 2021 distributors and some of the platforms created “Filmtopplisten”, a chart of the ten best-selling home entertainment titles each week.

Table 21: Home entertainment performance for SF Studios' local 2019 releases⁵⁷

Title	Highest weekly cinema ranking	Highest observed iTunes ranking	Home entertainment performance
Amundsen	1	12	Below expectations
Operasjon Mumie	2	8	Below expectations
De dødes tjern	9	37	Below expectations
Swingers	11	10	Well above expectations
Håp	3	87*	As expected

The home entertainment performance of SF Studio's two most ambitious 2019 movies were partially saved by DVD/Blu-ray deals with a supplier for a major supermarket chain. These deals had been made prior to the cinema release, and based on expectations that were not met. *Swingers* was, however, an even bigger home entertainment hit than expected. The film had more transactions in the home entertainment market than it had sold tickets in the cinemas, resulting in a conversion rate above 100%. This is almost unheard of for a Norwegian movie. These positive numbers did not, however, cover the losses made in the cinemas, especially for the producers who also would not receive ex post support.

"It won't break even because our investment is too big to be able to recoup it in the home entertainment formats. I'm thinking that if NFI wants to see projects that have a digital first window, like they say they do, then it would be a better solution for these kinds of movies than cinema. If a comedy like this by some kind of miracle got NFI support."

SF was aware that *De dødes tjern* would struggle in the home entertainment market, as horror has generally had poor conversion rates. The film still underperformed in the market, despite being on the front-pages of iTunes and Blockbuster longer than *Håp*, which performed better in the cinemas and had a higher conversion rate as well.

⁵⁷ Unfortunately iTunes Top Charts observations are missing in the first two weeks after *Håp*'s EST release.

Table 22: Home entertainment performance for Nordisk Film Distribusjon’s local 2019 releases

Title	Highest weekly cinema ranking	Highest iTunes ranking	Performance
Ut og stjele hester	2	22	Slightly above expectations
Askeladden - I Soria Moria slott	1	2	Slightly below expectations
Kaptein Sabeltann og Den Magiske Diamant	1	1	As expected
Spionen	3	10	Slightly above expectations
Snekker Andersen og Julenissen: Den vesle bygda som glømta at det var jul	1	1	As expected
Tunnelen	1	1	Above expectations

Nordisk Film Distribusjon was generally happy with its home entertainment performance. *Tunnelen* was a standout home entertainment success among 2019 titles, no doubt helped by the fact that it was released just before the first wave of pandemic lockdowns.

“We had always planned to release it for Easter, which is traditionally a good period. It’s worked very well, and when people are forced to stay indoors it is a very grateful market to enter now.”

Spionen also met its initial home entertainment targets, despite its lack of performance in cinemas. Nordisk Film Distribusjon’s assumption that the World War II spy story would work in the home entertainment markets were proven true, and the title received considerably higher prominence than other artistic path titles.

“The prominence has been what we expected. I don’t think it would have been much higher if it did well in cinemas, because Norwegian content gets priority as far as we can tell.”

While all films tend to have the same ticket prices as the box-office, there are some variations in the home market. Titles enter the home entertainment market at

different price points, and there are differences in how, when and if these prices change as the titles grows older.

The distributors set a fixed cost per transaction to the platforms, who are then free to decide the final consumer price. While there is no percentage share, as is common on computer games platforms, there are often set price-tiers. Thus, the distributors can in most cases know what the consumer price will be based on the price point they have set to the platform.

“We can’t dictate pricing – that’s illegal in Norway, so we don’t use “suggested retail price” or anything like that. It’s up to the platform to set the price they want, based on our deal with them. (...) We have different kinds of deals but for new titles it’s mostly a fixed unit price, though sometimes it can be a percentage above a set minimum price and so on. The final price might vary from service to service, some might have a profile where they go lower on certain types of movies and so on.”

SF Studios and Nordisk Film Distribusjon regularly have titles offered at discount prices as a part of various home entertainment campaigns. These are sometimes initiated by the distributors and sometimes by the platforms.

“We do campaigns like this about twice a year. (...) We see that the platforms are very news-oriented in what they front. So, we have to put some effort into lifting films you might have missed. (...) We run some of it from our side. We have some titles that we want to push, and the platform might collect them under one banner, or they might create a category with other titles. (...) Sometimes the platforms come to us with requests, and sometimes we go to the market with a plan and the platforms choose to take part or not.”

This lower price campaigns rarely generate substantial revenue. However, they generate prominence for the involved titles and is a way to extract some revenue that would otherwise be lost. This is particularly true for titles that are just about to fall off the radar after their initial home entertainment release.

“Campaign weeks usually don’t earn more revenue, but timed correctly they can keep the revenue steady at a point where it otherwise would have dropped. Transactions increase quite a lot, but payment per transaction falls.”

TVOD was the biggest earning home entertainment format for almost all titles. Some titles might earn about as much in EST transactions as in TVOD transactions, but this is rare. No title does more in physical than digital sales. The distributors remained hopeful that the EST market could become more profitable.

“We see that TVOD has had a small drop, while EST has continued to grow, and we have estimates that say that this will continue.”

The Norwegian EST was also relatively larger than the Swedish and Danish markets. A trend that has continued from the DVD-era, when the Norwegian market was significantly larger than the neighbours per capita.

“Norwegians are more interested in the format as well. But it has a lot to do with market structure. In Sweden, Telia are big in TVOD, and they don’t have an EST product yet. And you need to have the market leaders make things happen.”

While several platforms had about the same share of the TVOD market, iTunes was by far the largest EST platform. One informant linked this to the notion that Apple could be trusted to always be there, most likely on devices you already own, and that the service does not charge a subscription fee as customers were less likely to purchase movies through services if they risked losing access to those movies. The informant also felt that since Apple charge a fee of all purchases made within apps from the App Store, many platforms would not offer TVOD/EST through their iOS/TVOS apps, resulting in a poorer consumer experience for many customers.

“That Apple takes a percentage of everything is a challenge. That you can’t rent or purchase movies in the Viaplay app is horrible from a consumer perspective. I hope somebody somewhere sits down and thinks about what the consumer wants, instead of always trying to extract the most revenue.”

Catalogue titles are also used to boost prominence and create expectations for upcoming titles. For SF Studios, this meant managing the exposure for *Børning* and *Børning 2* in the run-up to *Børning 3* being released in 2020, as well as releasing the 1952 version of *De dødes tjern* on a limited-edition DVD.

“The more fans we have of *Børning* and *Børning 2*, the bigger the potential for *Børning 3* is. And they still sell in all formats. Even if it’s not big money, it keeps trickling in. So, we were able to use all the windows we have, and could also try to create revenue on the films that have spent most of their life and made most of their money.”

In the case of the *Børning* movies, this included selling them to Netflix, which added them to the service early in 2020⁵⁸. However, informant also felt the negative impact of having much of the catalogue exposed to streaming services.

“When working with the transaction-based sales, I notice how much better we have become at selling to streaming. Our catalogue is much more exposed to streaming-services, and the sale of catalogue titles in the transactional markets suffers as a result.”

Even if the local catalogues of SF Studios and Nordisk Film Distribusjon have much higher prominence than other local titles, one informant still felt that they did not fully exploit their catalogue. With more people working in the industry, it would be possible to extract more revenue from the catalogue in both digital and physical formats.

“I think it’s beginning to dawn on those who work with physical media that there are opportunities. There are a number of movies that suddenly can’t be found on streaming, and people think, “what do I do now?” Well, you can buy it on Platekompaniet or you can rent it digitally. There are opportunities, it’s just that you don’t know about them. There are no systems where you get the

⁵⁸ *Børning 3* (Bræin 2020) would eventually be released on Netflix simultaneously as other home entertainment formats.

overview of what is available and where. I think the existing formats could perform again if we had that overview and made an effort with it. I think the industry could find millions in revenue, but it takes people, and it takes systems and insight. And everything around streaming is very closed.”

Nordisk Film Distribusjon had an output deal with Viaplay that put all their 2019 movies on the service a little more than a year after the cinema release. However, in 2019, Nordisk Film Distribusjon announced a new deal with the Norwegian broadcaster TV2. Both TV2 and Nordisk Film Distribusjon are owned by the Danish Egmont corporation. In the new deal, movies from 2020 onwards would be available on the TV2 play service “nine months after cinema premiere”. In the interviews, Nordisk Film Distribusjon described the new deal as “critical”.

“This is the premium SVOD window, and it’s a very important window to get the economy working. Landing this deal, and it’s a very good deal for us, was critical. It’s also good to have a purely Norwegian deal, and it looks like TV2 will be pushing Norwegian films. We can work more long-term with this, which I think is very, very good. Without a deal like this we would have really been in trouble.”

SF Studios had a limited output deal with C More in which most of the company’s titles went to the streaming service. C More had few direct subscribers in Norway, but the service was available to both TV2 Play and Teliaplay subscribers. In 2022, it was shut down as an independent service in Norway, and its customers transferred to TV 2 play. It continues to operate in Sweden at the time of writing. SF Studios and C More were both previously a part of the Bonnier conglomerate, until C More was sold to Telia.

Amundsen also had a period as a “free-rental” on the Get platform. The broadband provider had invested in the movie and this was a part of that deal. While SF Studios was mildly sceptical to this deal, the informant was also sympathetic.

“It was evidently critical in financing the project. So, you might dislike something and realise that it’s necessary. (...) It doesn’t seem like it had a negative impact on sales, we had gotten most out of it already.”

One informant also stressed that it was best if they had all the rights and that while it was understandable producers sometimes sold rights directly, letting the distributor handle everything would yield a better total.

“I think a producer will get more from a 360-degree deal with a distributor. Because we can use all the windows in a way that they overlap in the best possible way. (...) But for many producers, realising the project in the first place is the most important thing.”

However, the informant also stressed that it was easy to get locked into deals that were not favourable, and as the digital film market was still evolving quickly long-term deals should be avoided.

“We have a deal with [platform] that’s running, and there is not a lot we can do about it. But if I could choose, it would be different. (...) It’s mainly about the timing. When the deal was made, the people who wrote the contracts didn’t think far enough ahead.”

Payment from streaming services is also generally decided by the performance in cinemas.

“Some contracts state that if you get such-and-such admissions, you get paid so-and-so much, so that [title] passed 100,000 is worth quite a lot. (...) It’s pretty fine-grained; there are a lot of steps on that ladder. But not all of them are that relevant based on what films do these days. If you look at admissions, there aren’t a lot of movies that do over 500,000 or over 700,000.”

Speaking in 2019, none of the distributors were ready to skip neither the cinema window nor the transactional home entertainment windows and go straight to SVOD. For one informant, this was mainly a question of getting paid enough.

“If we get paid enough, we’d be [on SVOD] the moment the films are available on home entertainment. The transaction-based formats are important for driving the different revenue streams, but from a consumer perspective, they could be streaming from day one. It’s a question of getting paid.”

Another informant felt that for most local films, remaining available in transactional markets was not just a question of revenue. However, they too remained open for other combinations in the future.

“You should never say never, but it’s clear that it undermines windows that are important to us. (...) There’s also this feeling of exclusivity, even if some services have very high market penetration, and we want the Norwegian films to be able to reach everybody. (...) But there could be types of products that we could consider it. More event-based stuff that could have a very short cinema window and go straight to streaming. If it had a very specific target group in mind, but we don’t have anything like that now.”

However, informants in both companies felt that the increased dominance of streaming services with exclusive deals was a potentially dangerous development. One of these fears was that the increased siloing of content would lead to a re-emergence of piracy, something the informants felt was a minor problem in 2019.

“Streaming has been advancing for years now, but it’s getting very fragmented. Apple+ is right around the corner, Disney+ is right around the corner. Everybody’s launching their own services, and it’s becoming very fragmented for the consumer. (...) As a consumer, you generally don’t think about what company a film comes from, with the exception of Disney. I think you’ll see an increase in piracy because people can’t be bothered to pay attention to all this.”

Another concern was that from the perspective of a Norwegian distribution company, there was a risk of becoming collateral damage in a high-stakes streaming war.

“It is forcing you as a consumer to choose, and how many subscriptions are you going to have? Will you be paying for each one or through a hub? It’s going to be

a big fight, and it's a market that will continue to mature. (...) Some will win and some will lose, and the question is who'll be pulled along. The more you tie yourself up to exclusive deals, the bigger the risk gets. It could be positive, but it could also be a hard blow for some. It's very difficult to tell how this will unfold."

Nordisk Film Distribusjon has, however, established Nordisk Film+, a streaming service that is available as a part of bundles from several cable and television providers. The company emphasised that running its own service offers it information not provided by other streaming services.

"We're testing this. [It] is relatively new to us. But it's our attempt at trying this market, at finding out how it works and what kind of data we can get out of it. So far, it's been very positive. (...) We find out what movies work and, not least, which movies don't work, and we can create a service that's better for consumers."

Difficult, but deliberate changes

This case study confirms that, at least for SF Studios and Nordisk Film Distribusjon, the patterns and positions found in the previous chapter are largely results of deliberate choices. Both are trying to shorten the cinematic window and are increasing their reliance on local titles. Both prefer known content because it is safer, and they prefer certain release dates, and so on.

The differences between the two companies are also smaller in this case study than in the previous chapter. In strategic terms, their plans and perspectives were quite similar, and SF Studios seemed to be moving towards a position that was more similar to Nordisk Film Distribusjon, where owning production companies and investing (relatively) more in Norwegian films (and television) is a bigger part of their slate.

For Nordisk Film Distribusjon the increased commitment was the continuation of a strategy established before digitalisation. However, the company was also very

aware that the digitalisation and globalisation of film dissemination made local content more valuable for them. SF Studios deliberately increased its commitment to Norwegian movies in a response not only to the falling value of foreign titles, but also to their becoming harder to acquire.

Still, while both companies saw that the digitalisation and globalisation of film dissemination had brought profound changes, there were limits to their ability to respond. Both remained dependent on producers, film policy, local cinemas, and Hollywood output deals, even when these had conflicting interests and were moving in opposite directions.

Case 2: *Barn* (*Beware of children*, Haugerud 2019)

This case builds on four interviews with the producer of *Barn*, from the production company Motlys, and the head of the distribution company Arthaus, three of which also included the head of the home entertainment distributor Star Media. All informants were interviewed together; the two first interviews were held at Arthaus' offices and the second two were held on Zoom.

The first interview took place in September 2019, the day before *Barn*'s cinematic premiere. The second interview took place in December 2019, when the cinema run was all but done. At the time, *Barn* had just been released on home entertainment, but no figures had been reported yet. The third interview took place in March 2020, six months after the cinema premiere and three months after the home entertainment release. The fourth interview took place in April 2021, 18 months after the cinema premiere.

While all of these interviews were conducted by me and were based on the same interview guide in the previous case, they had a much looser conversational feel. Often the informants would ask each other questions and discuss matters concerning *Barn* and other topics among themselves. These meetings would not have taken place without my invitations, and the informants stated that they had enjoyed these moments to debrief.

In the following text, all three informants are referred to only as their company. This is for clarity, as their names are not relevant in this case. However, none of the informants requested anonymity and no attempt has been made to obscure their identities.

Production

Barn explores the aftermath of an incident in which 13-year-old Lykke causes the accidental death of classmate Jamie in the schoolyard. The film was Dag Johan Haugerud's second full-length feature. Haugerud's previous effort, *Som du ser meg* (*I*

Belong, Haugerud 2012), was critically acclaimed in Norway. Dag Johan Haugerud has also directed three acclaimed medium-length features, *Lyset fra Sjokoladefabrikken* (*The Light from the Chocolate Factory*, Haugerud 2020), *Det er meg du vil ha* (*I'm the one you want*, Haugerud 2014) and *Thomas Hylland Eriksen og historien om origamijenta* (*The Professor and the Story of the Origami Girl*, Haugerud 2005). The last two were released by Arthaus, while *Som du ser meg* was released by Norsk Filmdistribusjon.

Barn was awarded production funding by the Norwegian Film Institute in May 2017. This made up NOK 11,5M of the total budget of NOK 19M. NOK 1M was provided by the Nordic Film and Television Fund, and SEK 800,000 by the Swedish Film Institute. The final amounts were secured by MGs from the international sales agent, Picture Tree International, the local distributor, Arthaus, and from investments by the production company, Motlys, as well as lines of credit from the equipment provider, Storyline. Production began in autumn 2017 and the film was finished around November 2018.

Motlys is among the more established Norwegian production companies, and have made several critically acclaimed movies. It operates in the artistic segment of the Norwegian film industry, and all the company's movies have been supported by the artistic schemes. Motlys has produced all of Dag Johan Haugerud's previous movies. In a study of six Norwegian film producers Engelstad and Moseng classified *Barn's* producer as highly oriented towards "art" and "nurturing long-standing collaborations" (2014). In addition to *Barn*, Motlys had another 2019 release in *Håp*, which was distributed by SF Studios.

Arthaus was initially established to acquire titles for the Norwegian Federation of Film Societies. In 1992, it became an independent distribution company specialising in arthouse movies. Arthaus is organised as a non-profit foundation.

Barn was only the third Norwegian movie distributed by Arthaus since 2008. The first was the 45-minute film *Sommerhuset* (Givær 2008). More recently, Arthaus distributed the Motlys-produced *The Rules of Everything* (Hiortøy 2017). *Barn* was by

far Arthaus' biggest Norwegian title to-date and represented a bigger investment than most of the company's titles both in terms of money and time.

"The budget isn't that much higher than what we usually spend on a foreign movie, perhaps three times higher. However, in terms of resources spent, it's probably five or seven times higher. When we release a Norwegian film, we're included in the whole process. We create all the materials we need for the marketing. With foreign titles, there are a number of posters and trailers and so on that we can choose from. Now we have to create all of it. A lot of it is done by the producers, but always in a dialogue with us." – Arthaus, September 2019

Table 23: Arthaus' 2019 slate

English title	Norwegian title	Premiere	Weeks in cinemas	Admissions
Woman at War	Kvinne på krigsstien	January 25	20	8,077
Burning	Burning	February 22	19	4,806
The Sisters Brothers	The Sisters Brothers	March 22	14	8,934
Happy as Lazzaro	Lykkelige Lazzaro	April 12	25	7,103
mid90s	mid90s	April 26	37	12,978
Non-fiction	Mellom linjene	May 10	23	11,059
3 Faces	3 kvinner	June 07	28	4,636
Castle in the Sky	Laputa – Himmelslottet	June 28	23	4,096
Amazing Grace	Amazing Grace	August 16	27	42,815
Beware of Children	Barn	September 13	29	21,942
Who You Think I Am	Forført	October 4	10	2,215
And Then We Danced	I morgen danser vi	October 25	23	3,998
Too Late to Die Young	Godt nyttår, Chile	November 22	13	3,910
Echo	Echo	December 01	8	890
Portrait of a Lady on Fire	Portrett av en kvinne i flammer	December 25	36	23,682

In economic terms, *Barn* was just another movie in Arthaus' 2019 slate and Arthaus did not need it to make a bigger profit than any other 2019 titles. However, Arthaus clearly felt extra responsibility for *Barn*.

"We rarely release Norwegian titles and the experience we have is from Norwegian movies that nobody else wanted or saw a potential for cinematic release in. There were very low expectations. But this, this is one of the best

Norwegian movies of the decade according to critics. We feel this is something more than some international festival winner. It's something different." —

Arthaus, September 2019

Arthaus describes itself as a purely cinematic distribution company, and has rarely attempted to become involved directly in the home entertainment markets. While Arthaus retains the home entertainment rights to *Barn*, it has, since 2007, relied on Star Media Entertainment to handle both digital and physical home entertainment releases.

Star Media was originally founded in 1984 as a video distribution company. After a failed first attempt, the company became successful during the early 2000s. In 2019, it was acquired by Denmark's Mis.Label but continued to operate in Norway as Star Media. Star Media acquired rights for foreign titles in all windows and did home entertainment, physical and/or digital, for several Norwegian distribution companies. But with the decline of the physical home entertainment market, Star Media had also shrunk, and by the time of the interviews had only one employee in Norway. In September 2021, a few months after the last interview, Star Media's Norwegian office closed.

In 2019, Star Media Entertainment registered 82 titles in Videogramregisteret. 43 had not been in cinemas; of the others, 11 had been distributed in cinemas by Arthaus. Among the rest were 10 home entertainment releases for *Another World*, physical releases of Norwegian titles for Norsk Filmdistribusjon and Selmer Media.

Day and date talks

In their initial meetings with NFI, as support was awarded, Motlys was challenged to think about alternative strategies for distribution. It was clear that *Barn* would be a difficult film to sell in cinemas, no matter how good it became. While a key element of the Norwegian film support system, the ex post support, requires a certain number of cinema tickets sold, NFI has been eager to express that its support

is platform neutral and that it would be willing to support movies that do not have cinemas as their first window.

“We were aware that it’s difficult for films like this, and the [NFI] commissioner asked us if it was possible to think about alternative ways of distribution.” – Motlys, December 2019

Based on these discussions, Motlys approached NRK, Norway’s state-owned public broadcaster and biggest television channel. Motlys suggested a variant of a day-and-date⁵⁹ release, with a limited run on NRK during *Barn*’s opening weekend. The idea was that it would be available in cinemas and in NRK’s on-demand service during the opening weekend, and then have a regular cinema window for the rest of the run. Perhaps learning from the negative reactions to Euforia’s attempt at a streaming pre-release for *Jakten på Berlusconi* (Endresen 2014)⁶⁰, Motlys held talks with NFI, NRK and the main cinema chain in Oslo.

“We asked if NRK would be willing to offer a substantial amount to get a first window, an opening week or weekend where they put it on the front of their services.” – Motlys, December 2019

While the idea was that *Barn* would be the first test for this kind of day-and-date release, Motlys’ thought it could be a good release strategy for a few of the least commercial Norwegian movies each year.

“We discussed this with the heads of NRK, NFI and [cinema chain], and we could do this for two or three Norwegian films each year. Also, because it would mean that NRK would invest more in Norwegian films.” – Motlys, December 2019

NRK has played a relatively small role in the financing of Norwegian movies since 2001 and has generally only bought traditional TV rights. In recent years it has

⁵⁹ Day-and-date is an industry term that refers to movies that are released in theatres and home entertainment platforms at the same date.

⁶⁰ Described in chapter 3

bought the “pay TV” window for some documentaries as well as Motlys’ 2020 feature *Ninjababy* (Flikke 2020). However, unlike its Danish counterpart, DR, NRK has no obligation to invest in Norwegian movies.

Motlys had nevertheless had great experience working with NRK previously. Motlys had produced *Heimebane* (*Home ground*, Fasting 2018) which reached a million viewers, and so had seen up close how effective NRK’s marketing machine could be.

“Let’s say that it had attracted a few hundred thousand viewers, perhaps five hundred thousand. Then people would have started talking about it, and about how great it is. (...) And the buzz would have been “it’s not that grim, it’s a quite warm film actually”, and more people would see it in cinemas because of all the free marketing.” —Motlys, December 2019

For a while Motlys believed this could work, as the local heads of the cinema chain were positive. However, the foreign head office did not agree.

“[The local cinema heads] were a bit like, “this sound like a good idea, since we won’t make a lot of money on this film anyway”. (...) And then the message came from [the head office]; “No way, it will be the end of our business”. We tried responding that this would only apply to a few small arthouse titles. But no, it would be the beginning of the end.” —Motlys, December 2019

While it did not come to pass, Motlys was pleasantly surprised that the local cinema heads had been open to the experiment. Company leaders felt the discussions had openly addressed some of the unresolved questions about how to help the smaller Norwegian movies in a market that had less space for them.

“What should we do with these kinds of movies? Should we stop making them? Is there a place for them in cinemas still? And should NFI support movies that don’t get screenings? So, everybody came to the table with a positive attitude and wanted to see what we could do. Well, it would have been fun to try.” — Motlys, December 2019

Continuing talks with NRK without the blessing of the cinemas was not an option, but Motlys had not given up on involving NRK in day-and-date style releases.

“Unfortunately, we can’t do this without [them]. They are too powerful.

Hopefully, we continue to kick them on the shins until they realise that this is a win-win. To boost two or three Norwegian quality movies, which we agree that we should continue to make. (...) And if we get NRK to invest 2 million, then NFI can spend less. We just have to get them to understand that this is not the beginning of the end, but the start of something new.” —Motlys, December 2019

Festivals

For *Barn*, the primary release strategy was always going to be festival-led. Motlys felt the film could potentially be a Cannes contender, and set its sights on the French Riviera early. However, the first festival to show serious interest was Gothenburg.

“They were very interested in the movie and saw it in November 2018. They fell completely in love and wanted it as their opening movie. We thought that was nice and started planning for a February [2019] release. We were then contacted by the curator of the Director’s Forth-night in Cannes. While he would not promise anything, he advised us not to go up in Gothenburg. —Motlys, September 2019

With Cannes as a possibility, Arthaus and Motlys considered releasing *Barn* in June. While Norwegian movies are very rarely released in the summer months, Motlys was wary about the long wait from May to September or October.

“When we had *Louder than Bombs* in the main competition in Cannes and a Norwegian premiere in the autumn, we were disappointed. We thought that people had forgotten it.” —Motlys, September 2019

While releasing in June would go against conventional wisdom. Arthaus thought a gamble could pay off for *Barn*, especially considering its length. At 157 minutes, it was the longest running Norwegian titles in decades.

“ We thought it would be exciting to have a Norwegian premiere right after Cannes. There are no Norwegian films released between April and August, and that would leave us all alone as a Norwegian film throughout the summer. Especially for such a long film, two and a half hours, it would be easier to program. Of course, you’re competing with the weather, but we thought that the weather had been so good [in 2018] it couldn’t be that great again [in 2019].” — Arthaus, September 2019

With a June premiere, *Barn*, could also benefit from the Norwegian Film Festival in August. If the film won awards, it could boost the cinema attendance if the film was still playing.

In the end, Cannes did not pick *Barn*, and Motlys now looked to Venice for a possible world premiere, with San Sebastián and Toronto as backups. Venice seemed interested, but getting an answer took time. An invitation from the Norwegian Film Festival became the final leverage *Barn* needed.

“It is a bit of a game, and quite difficult to be on top of. However, we were also invited to be the opening movie at the Norwegian Film Festival in Haugesund [in August 2019]. We then went to Venice and said that we needed an answer. They saw it at seven in the morning the day after and loved it. It was picked very early for a side section, which again excluded the main competition. (...) Venice then makes San Sebastián impossible and Toronto less interested because they prefer world premieres.” — Motlys, September 2019

Barn was eventually screened at 15 international festivals, including Venice Days, Busan International Festival, Thessaloniki International Film Festival and Gothenburg International Film Festival.

Cinema release

With Venice secured, plans for a release date could be set. Arthaus and Motlys settled on September 13, 2019, almost a year after the film was completed.

“World premiere in Venice and Norwegian premiere a week later is perfect. We got the reviews when we opened in Venice and there is time enough to use them in the marketing. If it was two weeks, I think we would have lost momentum.”

—Motlys, September 2019

However, opening in September meant there would be strong competition, not least from other Norwegian titles. It was therefore important for Arthaus that the date was set as early as possible.

“We announced September 13 in April or May, I think, and the others noted that. *Hjelperytteren* went a week earlier than first announced, leaving two weeks between them.” —Arthaus, September 2019

Another Norwegian movie, *Spionen*, was also scheduled to open the week after *Barn*, but moved to a later date to avoid *Downton Abbey* (Engler, 2019) which also opened on September 13⁶¹.

“UIP, which has *Downton Abbey*, doesn’t care if there’s a tiny Norwegian movie there. We will see; perhaps there’s room for both.” —Arthaus, September 2019

Norwegian movies have generally opened as wide as the number of copies allowed. After the digitalisation of the cinemas in 2011, this typically means that most cinemas only open movies when they premiere. However, Arthaus has remained careful not to open too wide (Øfsti 2011a).

“We always have that discussion with all our movies. How widely we open, and if it’s better to release a movie in the bigger cities before it goes to the smaller cinemas and to let the word-of-mouth start working. However, with *Barn* and all the work we’re putting into the release, [and] its large – for us – marketing budget and the international festival, we think that it’ll be well known for the smaller cinemas at an earlier time. We have around 90 cinemas booked, and 60 of them for the first weekend. So, we expand a bit, but most of the cinemas that want the premiere will get it. There are still a few that won’t take it if they don’t

⁶¹ See the previous chapter

get it on the first weekend, but I have the sense that more cinemas understand it might be better to wait a bit.” —Arthaus, September 2019

Critical reception

Barn was generally very well received by Norwegian critics, with several calling it the best Norwegian film of the year and even the decade. Others were more reserved and felt that it was too long and too political.

At the Norwegian Film festival *Barn* won nine Amanda awards: best film, best direction, best screenplay, best cinematography, best editing, best score, best sound design, best actor, and best supporting actor. It was also nominated for best supporting actress. Internationally it won the Nordic Council Film Prize, best film in the international competition at Thessaloniki Film Festival, and best Nordic film and best acting⁶² at the Gothenburg Film Festival. *Barn* was also nominated to the Queer Lion at Venice Film Festival, the Golden Alexander at Thessaloniki Film Festival, and the International Feature Film Competition Award at Antalya Golden Orange Film Festival.

However, *Barn* did not end up as Norway’s candidate for the Academy Awards, losing out to *Ut å stjæle hester* in the end.

“We were on the [Norwegian] short list and did an interview with the Norwegian Oscar jury right before the premiere. At that point, *Ut å stjæle hester* had been out there for almost a year. I don’t think it was a bad choice. It’s not unlikely that it had a better chance at an Oscar. (...) US distribution plays a role there as well. It was a bit annoying to lose out because it would have been good for the marketing in Norway to be the Oscar candidate.” —Motlys, April 2021

Cinema performance

Talking before the cinema release, Arthaus had budgeted with a projection of somewhere between 20,000 and 25,000 admissions.

⁶² Henriette Steenstrup, the nominee for best supporting actress at the Norwegian Film Festival.

“Then we’ll be happy and nobody will have lost money on this gamble. But I expect, and hope, and believe that we’ll get more.” — Arthaus, September 2019

Motlys was slightly more bullish in its expectations.

“I’m trying to not be disappointed, trying to keep expectations low and be happy with our achievements. But, I’m also a sore loser. I’m hoping we will reach as many as Dag Johans previous movie, *Som du ser meg*. Now, that was seven years ago and in a very different landscape, but it did 30,000. So, I’m guessing that if we do less than 30,000 I won’t be happy. I’ve said that this film needs a few great reviews and an international festival, and we’ve got that, but I will be disappointed if we go below 30,000.” — Motlys, September 2019

Barn opened with 3,358 admissions during the first weekend and after 16 weeks the first cinema run ended at around 20,500 admissions. After receiving nine Amanda awards it returned to cinemas and earned another 1,200 admissions. This second run was impacted by COVID-19 restrictions, and another planned series of special screenings in autumn 2020, after *Barn* won The Nordic Council Film Prize, were scrapped entirely because of new lockdowns in Oslo.

“We’d planned a series of screening at Vega Scene, with introductions from the director and a different actor each day. I think that could have generated a decent number of admissions.” — Motlys, April 2021

Speaking in late 2020 both Arthaus and Motlys expressed both pride in the movie and the way it was released, as well as disappointment in the admissions.

“Well, we are not in it for the money, as long as we manage to cover our costs we are happy. (...) I’m a bit disappointed because the movie was received so well, and we have gotten so much great feedback from all kinds of audiences. And I feel that we as a distributor did a very thorough job in trying to reach as many as possible. We did a lot of event screenings, using the large great cast in the movie, and Dag Johan has been everywhere. I think we did 20 special screenings with cast and crew. (...) We get some feedback that we shouldn’t be

disappointed that this is a movie that might have done 10,000, and we got it up to 20,000. But, semi-happy.” —Arthaus, December 2019

Motlys shared similar sentiments.

“Even if I said 30,000 earlier, you adapt, and you see what others are doing and 20,000 is ok. I guess I’m happier with 20,000 than I thought I would be. Also because I’ve seen how hard Arthaus have worked to get it out. There are not a lot of things we could have done differently, except to make a different movie. I’m happy that we made a movie that, even if it is hard to sell, makes an impression. (...) I’d rather make a great movie that is seen by 20,000 than a movie seen by 100,000 that I’m not proud of.” —Motlys, December 2019

The competition from *Downtown Abbey* also hit hard, as the two movies competed for the same core audience of middle-aged women.

“We did not just lose audiences, but also many cinemas. They did an extra push for that movie during the opening weekend and had *Downton Abbey* events and stuff like that. So, that movie became their focus, their priority.” —Arthaus, December 2019

Moving *Barn* after the date for *Downton Abbey* was not really an option because of Venice.

“We had chosen that date because it was the weekend after Venice, and if not for that we could have moved again. So, that was unlucky.” —Motlys, December 2019

While Motlys hoped that the film still would get attention in the coming months as it was a candidate for the Dragon Award in Gothenburg and likely to get several Amanda awards and nominations at the Norwegian Film Festival. However, as *Barn* would no longer be in cinemas by then, this could only affect the home entertainment release.

“If Amanda had been in January we could have gambled on getting a lot of nominations, winning a lot of awards and getting a new actuality. With *Force*

Majeur in Sweden, which we co-produced, it had one third of its admissions after Guldbaggen when it would otherwise been dead. And that was planned. — Motlys, December 2019

As time had passed after the premiere, both Motlys and Arthaus also realised that the film was an even harder sell than they first perceived.

“After a while you’re able to get a more outside view of the film, and I see that is hard to sell. Even to an interested audience. Because it hasn’t got that clear pitch, it’s just a very good film. It has no overreaching theme, it doesn’t try to create debate. It is just a film about being human in a difficult situation. And that is too vague in today’s cinema landscape.” —Motlys, December 2019

However, when evaluating the marketing, both were unsure if they had made the right decisions. They had avoided stating explicitly that Jamie dies in the marketing material, leaving it slightly ambiguous.

“I remember the discussion when we changed the pitch. [First] it was very clear that Jamie dies in an accident at school, and we changed to a serious injury. (...) I think it was Dag Johan Hagerud that wanted to be clear about what happens, don’t hide it. I’ve been thinking about it, maybe we should have been. It is impossible to know.” —Arthaus, December 2019

“[Veteran producer] John M. Jacobsen has often said that you can’t get away from what the movie truly is, you can’t market yourself away from the core of the movie.” —Motlys, December 2019

“Everybody I know, knew about *Barn*, and it was like “oh, that is the long film about a child who kills another child”, so the audiences had a clear idea about the movie.” —Arthaus, December 2019

There was never any discussion prior to making *Barn* if Jamie had to die. Motlys wondered if, in hindsight, that was a discussion they could have had.

“What if he had been in a coma. Would it have made it easier for the audiences? I think so, and it would have been more or less the same movie”. —Motlys, December 2019

In the end, however, both Motlys and Arthaus were committed to director Dag Johan Haugerud's vision.

"If we had been operating in another, more commercial system, we would perhaps have simply said that this is a movie we won't make. "Do you have anything else?" But when working with a director who you trust, it is exciting to just be a part of it, give him free reins and just try to help him succeed." —
Motlys, December 2019

While expectations for international success were low, it was further diminished by the COVID-19 pandemic. *Barn* opened in Denmark two weeks before cinemas closed. It was also released in Sweden in the spring of 2020, in a period of strict restrictions.

Home entertainment release

Barn was released in EST on iTunes December 2. A week later all other digital platforms in EST and TVOD, as well as DVD and Blu-ray followed. This gave *Barn* a relatively short cinematic window of 80 days.

The December 9 date was initially suggested by Arthaus, and neither Motlys nor Star Media had any objections to this. The date was decided before *Barn* opened in cinemas. Arthaus was aware that this was a slightly early release and expected it to still be playing in Oslo. However, Arthaus did not expect this to impact any screenings negatively and pointed to other titles like *A Star is Born* (Cooper 2018), *Bohemian Rhapsody* (Singer 2018) and their own *Mid-90s* (Hill 2018) that had all continued to perform in cinemas after they were released on VOD. Arthaus also wanted to have the physical home entertainment release before Christmas as it could possibly be a gift item.

The decision to have an early release on iTunes was made by Star Media, as it was one of very few options they have to boost the title's prominence on digital platforms.

“In the old days, with [physical releases], we could offer marketing support to stores and buy shelf-space. You can’t do that digitally, you depend on word-of-mouth and cinema performance. The James Bonds and the Frosts will be featured anyway, but a movie like *Barn* will struggle. So, we do stuff like early EST, not because it sells anything, but because we get “shelf space”.” —Star Media, December 2019

In Star Medias experience, iTunes was the largest platform for both EST and TVOD in 2019. However, as recently as 2017 Altibox was the platform that generated the most income. Since then, Altibox seems to have scaled down their efforts in digital movies.

Barn was also released at the slightly low EST price point of NOK 99. For Star Media, this was also a marketing strategy. They did not expect the film to have any meaningful EST sales and a lower price could give higher prominence and boost the TVOD sales where most of the transactions were expected to come anyway. The EST price was lowered again to NOK 79 in June 2020.

Barn was offered to all EST/TVOD platforms but not all of them, notably Blockbuster and Google Play Store, chose to offer it.

“It is very frustrating to see that we offer the movie to all platforms, but not all of them take it. And it is even more frustrating when they take it down after six or 12 months.” —Star Media, March 2020

Arthaus managed, during the first period of COVID-19-lockdown, to get an “Arthaus” section on the small Norwegian VOD platform Nettkino. Similar efforts had been made in conjunction with Star Media/Mis. Label to get a section on iTunes as well. Especially with the success of *Parasite* Arthaus hoped that film could draw attention to their other movies. However, as Arthaus only held the rights for Norway this proved difficult

“The problem is that these movies are not called Arthaus in Denmark, Sweden and Finland, and iTunes and Blockbuster and the others are Scandinavian

players. I don't understand why they can't customise it for Norway and Sweden and so on. It could be Folkets Bio in Sweden and Arthaus in Norway, but that is a challenge for the Nordic Countries." —Star Media, March 2020

Barn was also released on both DVD and Blu-ray. The higher cost of the Blu-ray release meant that Star Media were not prepared to risk the production costs. After some deliberation, Arthaus decided to cover these.

"We were in doubt about releasing it on Blu-ray, but we decided that, dammit, such a great movie deserves to be seen in the best format at home. —Arthaus, December 2019

Home Entertainment performance

Arthaus and Motlys were hopeful that the somewhat lacking cinema admissions, combined with great reviews, awards and high awareness, meant that there would be a relatively high number of people who were interested in seeing the movie when it was available at home. They had experienced this previously with *Force Majeure* (Østlund 2014) which did great in home entertainment markets, despite disappointing at only 20,000 admissions in Norwegian cinemas. Star Media was more reserved.

"I am very anxious about the digital release, because of the theme of the movie. Will be people think, "A movie about a child who dies? Am I in the mood for that? Or should I see World on Fire on NRK or whatever on Netflix?" Because the competition now is insane, there is some much to choose from all the time." —Star Media, December 2019

Star Media were very hesitant to make any predictions on the performance of *Barn* in the various home entertainment formats. No VOD estimates were given, and DVD/Blu-rays estimates were very unsure. Star Media used to be able to make pretty accurate estimates on physical sales, but a shift in ordering from the bigger customers has changed this. They now order less upfront, but place re-orders quickly if sales are good. This places a bigger strain on the home entertainment

distributors, as they risk either having too large inventories or be unable to fulfil re-orders if a movie performs well.

“It is very frustrating to not be able to estimate sales anymore. Platekompaniet has ordered 100 copies, does that mean I can sell 1000? Probably, but I would not promise [Arthaus] that.” —Star Media, December 2019

The initial run for both the DVD and Blu-ray was 500 copies each, the minimum order possible. In the spring of 2020 *Barn* had sold about 900 physical copies, around 1,700 TVOD transactions and 300 EST sales. On iTunes, where it sold most of its digital copies, it had charted at 44⁶³. However, after receiving nine Amanda awards in the summer of 2020 it received a strong boost. By the spring of 2021 *Barn* had sold about 900 DVDs and 600 Blu-ray copies.

“There was a marked increase in sales after the Amanda awards, and it has sold steadily after that. So, about a third of the sales came after Amanda, which was almost nine months after the DVD-release” —Star Media, April 2021

In digital transactions, the boost was also very evident. In July, the total transactions were 143, compared to 1,847 in August, and it had reached number nine in the iTunes chart⁶⁴. By the spring of 2021 the total was 5,000 TVOD transactions and 700 EST sales. Bringing the total number of home entertainment transactions up to around 7200. This places the conversion rate at a decent 33%

Star Media were pretty happy with these numbers, especially the EST sales were better than expected. While the Amanda awards had a noticeable effect on the number of transactions in the home market, all three informants still felt the timing of the Norwegian Film Festival left a lot to be desired. If *Barn* had caught this second-wind while still playing in cinemas, it would certainly have been more

⁶³ Highest charting position noted in weekly observations

⁶⁴ On 20.08.2020, almost a year after theatrical release.

valuable for Arthaus and Motlys, and higher cinema admissions would generally also give more home entertainment transactions for Star Media as well.

Streaming and Television

Neither Arthaus nor Star Media had any substantial experience of selling movies to SVOD services. Arthaus had approached Netflix, among other streaming platforms, about the foreign titles they hold local distribution rights to. While there had been interest, they wanted to secure rights for all Nordic countries, which eventually fell through. However, both Arthaus and Star Media had some experience with selling movies to NRK, and some of Arthaus' older titles had been made available on Get/Teliaplay and Altibox through a cooperation with Euforia.

Motlys had not made any attempts at selling their catalogue to streaming services, having the impression that they would not be very interested in their type of movies, and not pay very well in any case. Motlys did sell television and streaming rights for *Barn* during pre-production without the involvement of Arthaus.

C More bought the traditional pay TV window and made *Barn* available on their services in Scandinavia in September 2020, a year after the premiere. At one point it looked like this date would have to move, as COVID-19 might delay the Swedish premiere. In Sweden, no movie can have a shorter cinematic window than 122 days. However, the Swedish premiere was eventually set in May 2020, giving ample time for the mandated window.

Motlys had also sold TV, including on-demand, rights to YLE and NRK. Swedish SVT had been approached during the production, but had refused. After the success at Gothenburg Film Festival they had approached Motlys to buy TV rights, but at that point the rights had been sold to a Swedish distributor along with the other windows. The sale to NRK had a holdback period of 24 months after the cinema premiere. It was made available for two months on December 16, 2021, 26 months after the premiere.

Further collaborations

Arthaus passed over Motlys and Dag Johan Haugerud's next film, the medium length feature *Lyset fra Sjokoladefabrikken*. Motlys self-distributed the movie to selected cinemas,⁶⁵ and then sold it to NRK, where it remains on-demand in perpetuity. Arthaus had first been offered the movie when it was more of a "creative exercise" and not something with a "cinematic potential".

"This was a year before *Barn* went into production. It was something Dag Johan Haugerud did when he was trying to finance *Barn*." —Arthaus, March 2020

However, when it was selected for Gothenburg Film Festival and Tromsø International Film Festival in 2020, Motlys decided to try to get it into cinemas and went to Arthaus. They were reluctant since they had just finished the release of *Barn* which had drained the company, and since it was already selected for Gothenburg they would have to squeeze it into an already packed lineup.

"My team was simply not ready for a film like that, right after *Barn*. (...) [Motlys] came to us in November, and it was already at festivals, so the train was already moving." —Arthaus, March 2020

Motlys did not seriously pursue any other distributors, and opted instead to release the film themselves.

"It was a good experience for us. This was a movie that was made on a very low budget, with small amount of NFI funding to finish it. So, we have no problem understanding that Arthaus passed it over. We had not expected that [Gothenburg] wanted it either. (...) Both me and Dag Johan Haugerud were pleasantly surprised that it got such a good reception. To us, it was just a small thing. So, I think it was a good thing that we released it ourselves. And then Arthaus can do the next Dag Johan film." —Motlys, March 2020

To which Arthaus immediately responded.

⁶⁵ Cinematekene and Vega Scene

“We were afraid that this disqualified us from further collaborations with Motlys and Dag Johan, but that was luckily disproved right now.” —Arthaus, March 2020

The Bottom Line

In the end, all three companies involved in *Barn* did just about break even. Motlys met their budgets when *Barn* passed 10,000 admissions to qualify for ex post support, which would trigger funds that matched their pre-sales in the form of Norwegian and foreign MGs as well as television and streaming rights. Beyond these they saw no profits from sales or admissions, but had not expected to either. For Motlys the key to survival is to stay in production.

“This was not a film we had counted on creating profits. We make money by making the movie.” —Motlys, April 2021

On a personal level, however, the movie had brought substantial awards money that was split between the director and the producer.

“For the director and [personally for] the producer there have been some awards’ money, the Dragon Award [from Gothenburg Film Festival] is one million [SEK] and The Nordic Council Film Prize is also quite a bit.” —Motlys, April 2021

Arthaus reached their minimum estimates and did not lose money, but had hoped for more.

“We are just over break even, but it would have been great to see 40,000 admissions. It didn’t do as well as we had hoped, but it reaches the estimates we needed to break even.” —Arthaus, April 2021

For Motlys and Dag Johan Haugerud it was also a major success that the film was screened at Venice and received prestigious awards in Gothenburg and Thessaloniki. Hopefully, opening doors for Haugerud internationally in the future.

While Motlys was proud of the movie and what it had achieved, making another movie like *Barn* was not tempting.

“No. But you always want to do something new. For example, we now have a project with Dag Johan Haugerud that is going to be a 90-minute film, that will have a clear plot and theme. But it is more because you don’t want to repeat yourself.” —Motlys, December 2019

However, Motlys acknowledge that reaching audiences is a part of their ambition and that in the current market it is getting increasingly difficult to justify many of the films the company makes.

“We have a constant discussion on that dilemma. How can we reach a bigger audience and still make the movies we want to make and sacrificing the reasons why we make movies?” —Motlys, December 2019

Arthaus shared a similar sentiment.

“What we dream of is distributing movies like *Parasite*, who manage both. That are brilliant artistic and uncompromising throughout the movie and still have a big appeal. But, you know, that happens every third leap year.” —Arthaus, December 2019

For Motlys, *Barn* was another example of a movie that was an artistic success, where they did get their investments back, and managed to stay in production for a while longer. However, they were unable to generate any profits of the project.

“The problem is, with this kind of film, is that you are always forced to put more capital in it than you really want. Just to get it realised. The target is always to invest less [of our own money] in the actual film, so that there might be some profits in the end. (...) We are quite prudent. Yes, we might have hoped for twice the admissions, but we knew that it was likely to go the way it did. It becomes a virtue by necessity. The main problem for the Norwegian film industry is that there are so few Norwegians.” —Motlys, March 2020

Art first

The release of *Barn* was almost a textbook artistic movie release. The film received high praise, but modest audiences. None of the companies involved made any profits, but all avoided losses. Motlys and Arthaus also made several choices that, while good for the movie and Dag Johan Haugerud and Motlys' long-term goals, might have hurt the admissions. By initially passing on Gothenburg Film Festival for more attractive festivals later in the year, they were forced to release *Barn* in the autumn.

While the Venice premiere certainly gave the local release a higher profile than a Gothenburg premiere would, it is not given that this translated into significantly higher audiences. Gothenburg would allow a spring, or even early summer release as had been discussed, which would have given them less competition at cinemas, and they might have gotten a significant boost from the Norwegian Film Festival. While *Barn* got a significant boost from the Norwegian Film Festival in the home entertainment markets, this would have been far more valuable if the movie was still playing in cinemas.

While Motlys certainly wanted as high admissions as possible, prioritising a prestigious festival over possible local admissions would not hurt their earnings. Motlys budgets only required the movie to trigger ex post support. For Arthaus, however, higher admissions would result in more revenue. If their investment in *Barn* had been purely economic, then this could have been a conflict. However, it was evident that Arthaus, also from the decision to release *Barn* on Blu-ray, gave artistic considerations more weight than economic.

While it is impossible to know how *Barn* would have fared with an earlier release, the release strategy was relatively successful by all measurable means. *Barn* was in cinemas for a total of 29 weeks, more than any other Norwegian 2019 title released by a low-resource distributor with the exception of the children's title *Brillebjørn på ferie*. It also remained longer in cinemas than several of SF Studios and

Nordisk Film Distribusjon's titles, despite some of them far exceeding *Barns* admissions⁶⁶. While the 29 weeks includes *Barn's* return to cinemas in 2002, this only serves to reinforce that Arthaus punched above the weight of its admissions in cinemas.

Table 24: Total admissions and highest observed iTunes chart position for *Barn* and selected movies.

	Total admissions	Highest iTunes Chart
<i>Barn</i>	21,568	9
<i>Disco</i>	41,044	16
<i>Håp</i>	46,661	91
<i>Swingers</i>	10,096	10
<i>De dødes tjern</i>	17,628	43

Barn also performed well in home entertainment windows, especially after it won nine Amanda awards in 2020. While no sales figures for other titles are known, *Barn* did very well in the iTunes chart compared to admissions.

Table 25: Number of observations on TVOD/EST platforms from 2019 to 2021 for *Barn* and selected movies.

	iTunes	Google Play	Blockbuster	Viaplay Store	Altibox	Get/Teliaplay
<i>Barn</i>	13	0	0	30	10	10
<i>Disco</i>	11	18	3	0	1	0
<i>Håp</i>	7	14	5	64	20	19
<i>Swingers</i>	17	65	10	88	37	4
<i>De dødes tjern</i>	16	28	1	72	6	32

While *Barn* did well in the iTunes chart, Arthaus/Star Media struggled to get prominence on several of other platforms compared to high-resource distributor SF Studios. The SF Studios titles closest to *Barn* in admissions, *Håp*, *Swingers* and *De dødes tjern*, were all featured on all observed platforms. *Barn*, and low-resource distributor Mer Film Distribusjon's *Disco* were absent from several.

⁶⁶ See Table 33 in the appendix and Table 6 in the Introduction Part 2.

Table 26: Number of observations on SVOD platforms from 2019 to 2021 for *Barn* and selected movies

	TV2 Play	Viaplay
<i>Barn</i>	20	0
<i>Disco</i>	0	0
<i>Håp</i>	5	0
<i>Swingers</i>	40	20
<i>De dødes tjern</i>	0	0

Barn was also the only title released by a low-resource distributor to get a SVOD release in the first streaming window. The deal with C More was, however, negotiated by Motlys without Arthaus' involvement. Motlys' other 2019 title, *Håp*, distributed by SF Studios, also went to C More about a year after theatrical release. It is not inconceivable that Motlys was able to build on their relationship with C More through SF Studios to secure the SVOD deal for *Barn* as well.

Deliberate changes, stable perspectives

This chapter has examined the strategies of selected Norwegian distributors as plans and perspectives. As already discussed, they largely conform that the patterns and positions identified in chapter 4 are the result of deliberate strategies.

However, that distributors are able to make and follow through on deliberate strategies does not necessarily imply they can eliminate risk and get predictable results. Despite following their plans, almost all of the 2019 titles examined fell short of their ambitions. Distributors still felt at mercy of NFI, cinemas, Hollywood, producers, festivals, and not to mention the weather.

Their ability to make deliberate strategies did not stem from a controllable environment, but from their focus on controlling what they could control. However, all projects from all the distributors sooner or later pass a “point-of-no-return,” where set strategy must be followed through, even if it is apparent that changed conditions such as Hollywood competition will have negative impact. In a market that is essentially too small to be sustainable, distributors walk a tightrope between optimism and precise predictions.

Despite the many differences between SF Studios, Nordisk Film Distribusjon and Arthaus, they faced their daily challenges in a remarkably similar way. SF Studios and Nordisk Film Distribusjon might spend far more than Arthaus on marketing, but for all three, getting the marketing right was as crucial as the amount spent. SF Studios and Nordisk Film Distribusjon might release far more commercial local titles than *Barn*, but on local titles they are all chasing margins rather than hits.

Bonnier and Egmont are, of course, multinational corporations that make significantly more profit in Norway and the other Nordic countries than Arthaus, which is a non-profit foundation. While the informants in both SF Studios and Nordisk Film Distribusjon felt that their owners were committed to their 100+ years

of history in the film industry, their Norwegian operations have to add some value to the overall conglomerate.

However, these case studies also show that in the digital home entertainment markets, having a significant presence in the Nordic countries has an added value. Arthaus' ability to sell their home entertainment catalogue was limited by the fact that they only had Norwegian rights when the platforms sought Nordic or global rights. SF Studios and Nordisk Film Distribusjon's advantage in the home entertainment markets was not just down to the strength of their titles and their more active home entertainment strategies. They could offer Nordic rights for most of their titles, as well as have relations with major platforms on a Nordic level, which reduces transactional costs for all involved parties.

Both case studies also show distributors that are willing to innovate and trying to adapt to changes in the industry. These range from small-scale experiments with release dates and formats to more ambitious projects such as Nordic Film+. Arthaus' and Motlys' unsuccessful day-and-date ambitions shows, however, that their ability to make significant breaks from the form is limited. While SF Studios and Nordisk Film Distribusjon could imagine that non-traditional releases could be good for some of their titles as well, they saw no viable path that did not depend on cinemas.

The most significant changes evident from the case studies is, however, Arthaus and SF Studios' increased commitment to Norwegian movies. While this is in line with the general trend found in chapter 4, SF Studios and Arthaus were among the few companies that did not show increased reliance on local admission during the examined period.

While these changes were big, especially for Arthaus, they were also in line with their perspectives. Arthaus is an arthouse distributor, when they acquire a local title it is a potential festival winner, like most of their foreign titles have been. SF Studios is a mainstream company, they acquire and distribute mainstream titles whether they are local or foreign. Their increased commitments to local movies come

in the form of acquisitions of companies that make mainstream movies. While these acquisitions might move them more towards Nordisk Film Distribusjon and the *local content lead* position, they have also signed a new output deal with Sony which would strengthen their position as a *market lead* contender.

The distributors were also united in their belief that these were exceptionally difficult times. There are, as this thesis has shown, several reasons that this might be true. However, one should be critical of any description of past times as “golden ages”. The troubles distributors are facing, are likely to appear more intimidating than the challenges they have survived. If, as an example, the recent golden age for the Norwegian film industry was characterised by high admissions in cinemas, high home entertainment revenue and an ex post scheme that stimulated private investments, then the golden age began in 2010 and ended in 2012.

Conclusion part 2: Strategies and availability

Part 2 of this thesis has attempted to answer the final two secondary research questions: *What were the strategies of Norwegian film distributors after 2008? And How does shifts in the circulation power of local distributors affect the availability of Norwegian movies?*

When strategies were examined as patterns, we found a division between high-resource strategies and low-resource strategies. This division is reminiscent of Hennig-Thurau and Houston's (2019) distinction between "major" and "independent". All the high-resource distributors in Norway are part of larger multinational corporations.

The division is also reminiscent of Thompson's (2013) distinction between the logic of economic and symbolic capital. The high-resource distributors rely more on economic capital, and the low-resource distributors rely more on symbolic capital. Most low-resource distributors that thrive over time are *specialists*. In this position, the symbolic capital is the most valuable, as it takes the form of expertise and connections that are not easily replaced. However, as access to economic capital is relatively low due to the limited market, symbolic capital is also important for Norwegian high-resource distributors. They cannot create barriers to entry in the market and therefore must rely on good relationships with producers, cinemas, and policymakers.

In addition to the high- vs. low-resource patterns commonly found in all cultural industries, a pattern of varying degrees of dependence on local titles was identified. This pattern is likely to be found in other cultural industries where foreign titles have a significant share of the market. For local distributors, foreign titles carry less risk than local titles, and serve as the main risk reduction strategy.

I have also identified five viable market positions for Norwegian film distributors. Two of them, *market lead* and *local content lead*, require high-resource strategies. While it is possible to imagine the local content lead could being a low-

resource distributor, this would not be a healthy situation for local movies. In the period examined, the local content lead has also been *local-led*. Most low-resource distributors are *specialists*. The leading distributor in the *independent* position has tended to have slightly higher resources than other low-resource distributors, but the independent position still seems the most difficult position to remain in.

Use of common cultural industries strategies

Chapter 1 presented an overview of cultural industries strategies in existing literature. *Comps* is the only strategy we can reasonably assume all local distributors use. Based on the case studies, it appears local distributors are generally good at predicting admissions for upcoming projects across all budget ranges, although they tend to err on the side of optimism.

While it is difficult to point to any specific instances of *exploiting talent pools* in my material, one must assume that Norwegians are relatively similar to non-Norwegians in that they also value creative work in more ways than monetary.

All local film distributors also use *windowing* to extract the maximum amount of revenue for each project. However, we see clear differences between high and low-resource distributors. High resource distributors often have shorter cinematic windows, more defined home entertainment windows, more active pricing strategies, and access to multiple streaming windows. So, while *windowing* is available to all distributors, the ability to use windowing strategies is also limited by resource level.

I further argued that the more resource intensive strategies – *overproduction*, *increased production value*, *heavy marketing*, and *bundling* – are unlikely to be viable for local film distributors. This remains true after examining the strategies of local film distributors, too. However, we do find variations on these strategies adapted to smaller markets.

Some limited examples of *bundling* were found. Nordisk Film Distribusjon created the Nordisk Film+ service, which was included in various subscription

services, include those where Egmont had multiple ownership interests. Nordisk Film Distribusjon's deals with Netflix, Viaplay and TV2 Play were also made on the strength of their catalogue and could be considered bundling. As only distributors were interviewed, the methods chosen for this thesis were not suited to discussing instances of bundling by distributors, such as block booking, as a way to exert power. It is worth noting, however, that the only public conflicts between cinemas and distributors over booking terms since 2008 have involved Hollywood subsidiaries⁶⁷.

In this thesis, only the production and marketing budgets of 2019 releases have been examined. Further studies of the relationship between these budgets and admissions are needed to understand the impact of production value and marketing on admissions. However, the limited effect of marketing and production budgets in 2019 suggests that neither *heavy marketing* nor *increased production value* are effective as risk reduction or in creating barriers to entry.

Over-production in the sense of a single hit covering the losses of multiple losses was not found to be a viable strategy for local distributors. They did, however, exploit different dialectics between hits and catalogues. Most significant was the inverted overproduction strategy formulated by Nordisk Film Distribusjon. A company that delivers a string of on-budget titles can survive the occasional miss as the catalogue carries the hits, and not vice versa.

Secondly, a dialectic between the known and the original within the slates of several of the distributors was apparent. Most of Nordisk Film Distribusjon's local titles since 2008 are based on known stories and have had high audience estimates, but the company has occasionally released smaller and more artistically ambitious titles from directors and production companies it either had or wanted to build a

⁶⁷ Nordisk Film Kino in Oslo was in conflict with both UIP and Disney in 2014 over the rental fees (Aune (2014, Vollan 2014) and with Disney again over the shortened and missing cinematic windows in 2021 (Aas 2021).

relationship with. On the opposite side of the spectrum, a large share of Norsk Filmdistribusjon's local titles were based on original stories with artistic ambitions, but its one market path title based on known characters brought in the bulk of the company's local admissions. While this balancing of titles that generate economic or symbolic capital cannot be described as *overproduction*, it is a way of leveraging the existing economic or symbolic value of the catalogue to gain economic or symbolic "hits".

Further, having parent companies with long-term commitments to the film industry can also be leveraged into a form of overproduction. If profits are measured in 10-year increments rather than yearly, a once-in-a-decade hit might be enough to cover an otherwise unprofitable catalogue. The same applies to distributors that own or production companies. During the first COVID-19 lockdowns in March 2020, one informant said that they were discussing if and how they could save production companies that feared bankruptcy because of delays and stoppages.

The main risk reduction strategy for local distributors, however, centred around the dialectic between local and foreign movies. Foreign titles carry lower inherent risk than local titles as they are often finished when acquired, have often proven their quality through reviews or festivals, or are made in Hollywood by studios with access to strategies such as increased production value and heavy marketing.

As distribution rights for foreign titles are also cheaper, they can be acquired at a volume that allows for a relatively predictable frequency of hits – and when a foreign title is a hit, the local distributor keeps a higher share of the revenue. Foreign hits can therefore not only cover the cost of the foreign catalogue but also offset the risk of the local catalogue.

For Norwegian film distributors, their degree of dependency of local and foreign titles therefore becomes the key strategic decision. Most distributors are *foreign-dominated*, and the success or failure of local titles has limited effect on the

economy of the companies. Since 2013, however, many distributors have been transitioning to being *foreign-led*. *Foreign-led* distributors also get most of their admissions from foreign titles, but they also regularly release local titles and invest significantly in them.

Nordisk Film Distribusjon was the only company to consistently be *locally led*. A locally led company has its biggest investment in local titles, which also generate most of the admissions, but also relies on a steady stream of foreign titles as a safety net. Finally, only Euforia and to a lesser extent Mer Filmdistribusjon have pursued a *local-dominated* strategy. For the local-dominated companies, foreign titles are less of a safety net and more of a way to fill spare capacity when in between local titles.

Positions and power

The four positions held by local film distributors exert varying degree of circulation power. The main division is between the high-resource positions – *market lead* and *local content lead*, and the low-resource positions. There is, however, also a notable difference between the *market lead* and the *local content lead* when it comes to local titles.

A more detailed examination of circulation power in cinemas could be made using more data, such as the number of screens and seats, share of opening weekends, and admissions in the final week of the original cinema run. Of the data used in this thesis, the preferred release dates are the best available indicator.

Nordisk Film Distribusjon, the *local content lead* and SF Studios, the *market lead* in my research, released most of their titles in the attractive autumn period. Nordisk Film Distribusjon also frequently secured the two most attractive dates, December 25 and the first weekend in November. SF Studios' lower release frequency for local titles in November and December is, however, likely due to their Hollywood titles, which often claim these attractive dates. Among the low-resource distributors, it is not possible to make any significant claims about the relative circulation of power in cinemas of the various positions or distributors. Euforia and Norsk Filmdistribusjon,

both companies that have held the lead *independent* position, have perhaps negotiated slightly better dates overall than the others. The very smallest distributors are also over-represented in the “dead period” from May to August.

The length of the cinematic windows is also an indication of the distributors’ circulation power vis-à-vis the cinemas. Distributors with shorter windows are likely less worried about upsetting their relationship with cinemas than those that keep longer windows. By this measure, the *market lead* and the *local content lead* still have higher circulation power than the others. However, SF Studios in the market lead position have shorter windows than Nordisk Film Distribusjon in the local content lead position. Again it is difficult to separate the various low-resource positions, but in both the historical data and the 2019 observational data the Norsk Filmdistribusjon in the lead *independent* position had the longest windows.

When the total admissions are considered, there is little variation in the lengths of the cinema runs for local titles released in 2019. This might reflect that the low-resource distributors chose less competitive periods for their releases, or that the differences in circulation power between the distributors is not very big in cinemas.

One factor might also be that the cinemas have considerable power vis-a-vi distributors. It was cinemas that stopped the day-and-date experiment with *Barn*, as it would be impossible without their blessing. In the cinemas, then, the circulation power of the distributors has relatively little impact on the availability of Norwegian movies.

Based on the 2019 data, the influence of cinemas is also a limiting factor in the home entertainment market. In both case studies, distributors expressed wanting short windows to capitalise on attention from the cinematic release. However, most of the local 2019 movies were not released in home entertainment markets until they were well and thoroughly done in cinemas. In most cases, this means they had not been playing outside Oslo for weeks.

From the distributor's point of view, this indicates windows in 2019 were too long. If they had been at 48 days, the shortest window any distributor had used or expressed that they wanted, most titles would have reached 90% or more of their admissions.

Table 27: Share of admissions in actual theatrical window vs. 48-day window

Title	Admissions at 48 days	Admissions by EST release	48 days to EST	Total admissions	Share by EST	Share at 48 days	Share between 48 and EST
Amundsen	202,189	207,586	5,397	209,485	99.09%	96.52%	2.58%
Ut og stjele hester	100,809	104,557	3,748	105,685	98.93%	95.39%	3.55%
Jeg ser deg							
Askeladden - I Soria Moria slott	224,250	257,865	33,615	26,1217	98.72%	85.85%	12.87%
Hjelperyttereren	1,544	1,544	0	1,544	100.00%	100.00%	0.00%
Barn	18,525	19,555	1,030	21,942	89.12%	84.43%	4.69%
Kaptein Sabeltann og Den magiske diamant	241,035	249,701	8,666	256,916	97.19%	93.82%	3.37%
Astrup - Flammen over Jølster	22,540	26,549	4,009	26,769	99.18%	84.20%	14.98%
Villmarksbarna - En eventyrlig reise	13,173	13,541	368	15,256	88.76%	86.35%	2.41%
Disco	38,895	40,214	1,319	42,429	94.78%	91.67%	3.11%
Brillebjørn på ferie	38,434	40,371	1,937	41,091	98.25%	93.53%	4.71%
Swingers	9,988	10,096	108	10,096	100.00%	98.93%	1.07%
Spionen	79,743	81,245	1,502	81,501	99.69%	97.84%	1.84%
Operasjon Mumie	95,861	98,998	3,137	101,505	97.53%	94.44%	3.09%
De dødes tjern	17,573	17,573	0	17,628	99.69%	99.69%	0.00%
Snekker Andersen og Julenissen: Den vesle bygda som glømt at det var jul	407,018	418,294	11,276	418,891	99.86%	97.17%	2.69%
Håp	42,600	46,506	3,906	46,667	99.66%	91.29%	8.37%
Tunnelen	214,066	219,301	5,235	221,269	99.11%	96.74%	2.37%
Born2Drive	33,221	33,703	482	33,733	99.91%	98.48%	1.43%
Pyscobitch	90,931	98,091	7,160	106,497	92.11%	85.38%	6.72%

While cinemas on one hand seem to give local movies from low-resource distributors comparable treatment to those of high-resource distributors, their resistance to shortening the cinematic window affects low-resource distributors more than high-resource distributors. Cinemas therefore impede low-resource distributors when they enter the home entertainment market.

In the home entertainment market, the differences in circulation power are significant⁶⁸. The high-resource positions achieve higher prominence and availability for their local movies, especially for older titles. In home entertainment markets, the slight edge that the Nordisk Film Distribusjon in the *local content lead* seemed to have over the SF Studios in *market lead* in the cinemas becomes more pronounced. Especially when their SVOD deals with Netflix and TV2 Play are taken into consideration. If a streamer only needs one deal with a local distributor, the *local content lead* is the first choice.

Among the low-resource distributors it is again difficult to identify significant differences. Older titles from low-resource distributors are very rarely given any kind of prominence, and neither the NFI spot checks nor the observations of the 2019 titles indicate significant differences. Euforia did achieve notably better prominence for several of its titles, many of which were released when the company held the lead *independent* position. However, the next company to occupy that role, Norsk Filmdistribusjon, has had low prominence for their titles. Compared to the high-resource distributors, however, low-resource distributors collectively achieved lower prominence and struggle to even be available not only in SVOD services but also some transactional platforms.

More focused studies are needed to understand the nature and effects of circulation power in both cinemas and home entertainment markets. These should

⁶⁸ While the circulation power of foreign movies has not been examined here, it is likely that Hollywood titles have far higher prominence than any local titles. One indication is that Hollywood titles typically enter the EST market at NOK 169, a higher price point than any Norwegian title in 2019.

include foreign titles as well as local to be able to measure their degree of diversity and, if possible, seek to understand the relationship between prominence in cinemas and platforms and audience behaviour.

Nevertheless, it is clear that the distribution company has significant influence on not only the prominence, but also the availability of local titles in the home entertainment market. Nordisk Film Distribusjon's dominant position as *local content lead* might serve as an effective barrier to entry against other distributors in certain parts of the home entertainment market. If local, regional, and global streaming services are satisfied with getting six or seven of the most popular Norwegian movies every year, then Nordisk Film Distribusjon will cover their needs. Even if other titles remain available in libraries and transactional markets, the *living* Norwegian film history will therefore shrink.

Conclusion: The Hollywood Effect

“We may find ourselves for a certain period in a paradoxical situation in which film producers and distributors have everything to gain from the development of new media, while theatre owners or managers suffer directly from the effects of the competition. (...) We may expect, however, a levelling off or a decrease in the number of movies shown in theatres, but also a profound transformation of the film-product itself (in aesthetics as well as in its conditions of production) without, however, foreseeing the merging of the film industry with the heterogeneous audiovisual industries.” (Miège 1989, 138)

If one were to believe the Netflix creation myth, Reed Hastings’ \$40 dollar late return fee for a DVD of *Apollo 13* (Howard 1995) in 1997 was the butterfly that flapped its wings and, 15 years later, cost the Norwegian film industry between NOK 44M and 72M⁶⁹ in yearly revenue. While the myth has been debunked in favour of a more traditional tale of economic and technological opportunities seized at the right moment, Netflix’ 22-year rise from nothing to becoming the first new MPAA member since 1995⁷⁰ is remarkable. The 2012 arrival of Netflix in Norway certainly changed the local film industry. In 2019, Hollywood entered the SVOD market and with that the era of the digital global American film industry began.

In *Screen Distribution and the New King Kongs of the Online World*, Stuart Cunningham and Jon Silver (2013) argue that the dominance of the video-on-demand market by Netflix and other companies new to the film and television industry questions the old adage that “content is king.” “[If] content is *king*, then distribution is *King-Kong*” (2013, 17)

⁶⁹ Based on a market share between the 11% EST/TVOD share and 18% DVD/BD share in 2016 and a combined EST/TVOD and DVD/BD market worth NOK 400M less in 2012 than 2016.

⁷⁰ Turner joined the MPAA in 1995 but was purchased by Time Warner the following year. Sony was the most recent of the current MPAA members, joining after its acquisition of Columbia and Tri-Star Pictures in 1989. The last time a current MPAA member joined without acquiring an existing member was Walt Disney Studios in 1979.

They adopt McGahan, Argyres and Baum's (Baum and McGahan 2004) four stages of industry evolution to describe the then still emerging digital video marketplace, arguing that – in 2013 – digital video distribution had moved beyond the initial *pioneering* stage, but remained in the second *shakeout* stage.

In 2022, the third stage in McGahan, Argyres and Baum's model, *maturity*, is either just beginning or very close by. With the arrival of streaming services backed by the deep libraries of Hollywood majors and the deep pockets of tech giants, it seems that at least all the combatants in the fight for global streaming services have entered the arena. This thesis has shown how the health of the Norwegian film industry is connected to the global American film industry. The waves of Hollywood hit the Norwegian shores in ways that may be unpredictable in their impact. They may offer both opportunities and challenges, they may bring losers and winners, the only certainty is that they will arrive. As shown in part 1 of this thesis, the question of how Norwegian distributors adapted their strategies and their function to the digitalisation of the film industry is essentially a question of how they have adapted to changes in the strategies and the function of the global American film industry.

Evolving function

Local film distributors, when considered through a cultural industries lens, have mainly performed the commodification function. They have acquired films created by production companies and converted them into products that can be disseminated in cinemas and homes. Most distributors perform this commodification for a number of production companies, including companies they have no corporate ties with. Commodification is a less time and cost intensive process than creation, allowing distributors to have a higher volume of titles than production companies. Having distribution companies that specialise in commodification function is therefore more cost-effective for the industry than if production companies were to perform the commodification function themselves.

Looking ahead, the ongoing digitalisation could, at worst, result in a catastrophic loss of function for Norwegian film distributors. If Norwegian producers were to make movies mostly or exclusively for foreign streaming services, they would not need distributors to perform the commodification function. If most or all foreign movies in Norway had no or limited cinema runs before becoming available on streaming services run by global American companies, they would not need local distributors to perform local commodification.

Local distributors have responded to this threat by increasing their commitment to local creation. The two local high-resource distributors, SF Studios and Nordisk Film Distribusjon, responded with a process that could best be described as *studiofication*. SF Studios acquired full ownership of production companies Paradox and Filmkameratene and 49% ownership of Motion Blur. Nordisk Film acquired production company Friland through a 50.1% share in production company Maipo and significantly increased the output from its own production division, Nordisk Film Production.

When they are part of vertically integrated studios, distributors not only secure access to productions that can be commodified – they can also share in profits from productions commodified by others. This applies to as much to series production in which the distribution companies previously had no stake as to Norwegian movies for which streaming services are increasingly acquiring the most attractive windows.

In the summer of 2021⁷¹, SF Studios released *I onde dager* (*The Trip*, Wirkola) in Norwegian cinemas. Home entertainment rights, however, had been sold

⁷¹ A side effect of the pandemic was that some distributors attempted summer releases, as foreign competition was low. In the summer of 2020, when cinemas were still under restrictions, two children's movies were moved from their original autumn dates to July. SF Studios released *Knerten og sjøormen* (*Twigson and the Seamonster*, Undheim 2020) and Norsk Filmdistribusjon released *Tottori! - Sommeren vi var alene* (*Sisters: The Summer We Found Our Superpowers*, Ommundsen & Salomonsen 2020) (Øfsti 2020). The July 30 date for *I onde dager* was likely set because NFI offered extraordinary release support up to August 1, 2021 as a pandemic measure. The summer of 2022 saw no Norwegian releases.

exclusively to Netflix by the producer and his foreign sales agent. As a potential home entertainment distributor, this Netflix sale was a lost opportunity for SF Studios. When another SF Studios title, *Børning 3 (Asphalt Burning, Bræin 2020)*, was sold to Netflix it lost home entertainment value, too, clearly indicated by its initial NOK 99 EST price point as opposed to the more common NOK 139. However, while this sale to Netflix also hurt SF Studios as a home entertainment distributor, as the owner of Filmkameratene the company was able to share in the profits.

When the Friland-produced *Battle: Freestyle* (Søderlind 2022), the sequel to *Battle* (Launing 2018), became a Netflix exclusive, it was a lost opportunity for Nordisk Film Distribusjon. However, with the 2020 acquisition of Friland, revenue from the Netflix deal remained within the conglomerate.

Acquiring multiple production companies is a very resource intensive way for a distribution company to increase its stake in the creation function. However, almost all the Norwegian distributors have increased investments in local productions since 2012. These investments in individual titles won't always let distributors share in profits from streaming services or secure access to the next project. Yet by increasing their commitment to Norwegian producers, distributors also increase their value to them. Distributor expertise, especially among the specialists, and their relationships with producers, cinemas, and policymakers translate into symbolic capital that cannot be replaced by a foreign entity simply matching the economic capital they offer.

While this increased commitment to local creation was accelerated by the threats posed by digitalisation, it should also be seen as a natural step in the evolution of the Norwegian film industry. While Arthaus, as an example, has felt they increased competition for foreign titles from both competing theatrical distributors and SVOD services, their specialist position was still niche enough to be protected and as they have always relied heavily on cinema revenue the fall of the

DVD market did not impact them as much as others⁷². For Arthaus it was far more important that the company had been around long enough to have the financial stability to carry the risk of a local titles, and that the Norwegian film industry had begun producing movies that fit Arthaus' profile and the level of artistic quality they wanted.

Nevertheless, after 2012, and certainly after 2019, the era of the traditional Norwegian film distributor, or filmbyrå (film agency) as they called themselves before the 1990s⁷³, appears to have come to an end. A distributor that performs only local commodification function for foreign movies or does not offer more than economic capital for local movies will likely discover it is no longer needed in a digitalised and globalised film industry.

Adapting strategies

Part 2 of this thesis gave a detailed analysis of the strategies employed by Norwegian distributors since 2008 and how they have changed since 2012. While local film distributors have shown a strong willingness to innovate, their capacity to push back against external pressure has been limited.

Using Christine Oliver's (1991) typology of strategic responses, we find that Norwegian film distributors mainly have applied *acquiescence* and *compromise*, the two most passive responses in Oliver's model, and that more active responses are either rare or unsuccessful. Schibsted's decision to divest from the film industry can be considered an *avoid* response, as it left the market. The pandemic gave Norwegian distributors a brief opportunity to *defy* the regular cinematic windows, although in a

⁷² One exception was that they had acquired the home and theatrical rights to the Studio Ghibli catalogue at a time when Ghibli was adamant that these titles would never be on the internet. When Ghibli later sold globe-spanning (excluding USA) streaming rights for the catalogue to Netflix, Arthaus' local rights to DVD/Blu-ray lost value.

⁷³ "Norske filmbyråers forening" changed their name to "Filmdistributørforeningen" in 2015. However, the name change was well overdue. The first distribution companies that used "distribusjon" as a part of their company name seem to appear in the 1980s or 1990s. (Disen 1997, 261, 264).

very limited context. Finally, Arthaus' and Motlys' attempt to secure a day-and-date release for *Barn* could be considered an attempt to *manipulate*, the most active response in the typology.

One reason for Norwegian distributors' relatively passive responses is that the changes' digitalisation brought exerted pressures that were often contradictory. The success of SVOD services increased the home entertainment markets' share of the audience's time and spending. As a response, cinemas have been increasingly protective of their windows, especially as Hollywood majors such as Warner and Disney put them under pressure, too.

For Norwegian distributors with little or no stake in SVOD services, the home entertainment market lost significant value and could no longer justify any significant marketing expenses. To compensate, Norwegian distributors wanted to shorten the cinematic window. But as the loss of home entertainment revenue also made them more dependent on cinemas, they could not risk losing cinema revenue in pursuit of home entertainment revenue.

Local distributors' responses to the new home entertainment market ranges from *acquiescence* to *compromise* – they have attempted to increase the EST share, they have experimented with home entertainment formats, and they have attempted to get old and new titles into various subscription and streaming services. In most cases, acquiescence or acceptance best covers each distributor's response to the new industry conditions. iTunes' preference for early EST was for the most part accepted, along with the premise that TVOD was the only format that really mattered for most titles. Other responses are better described as compromise. Nordisk Film Distribusjon's launch of Nordisk Film+ could not challenge the major streaming services in any way, but it could give the company a small share of and some insight into the new market.

When the COVID-19 pandemic closed Norwegian cinemas in the spring of 2020, Norwegian distributors attempted almost every conceivable response. Closed

cinemas paved the way for a kind of “rumspringa” where the distributors could openly *defy* the cinematic window while still promising cinemas their long-term commitment. Some titles were held to await better capacity, some were released early as premium-video-on-demand, some went early on EST and TVOD, and one was even offered for free in a cable provider sponsored deal. Still, others stayed with their initial home entertainment plans despite losing cinema early. While several of these responses gave higher home entertainment earnings than otherwise expected, none of them came close to recapturing the lost income from cinemas (Øfsti 2020).

Motlys and Arthaus’ attempt to *manipulate* a day-and-date release with NRK for *Barn* attempted to use a difficult situation – less room for small artistic movies in cinemas – to create a better one, in the form of more money and attention from NRK without losing cinemas. If the deal had gone through, *Barn* would likely have received significantly more revenue from NRK than from cinemas. In this context, it is not surprising that the cinemas did not accept the deal. Even if it involved just one or two movies with low admissions each year, such an arrangement could undermine the cinemas’ negotiation position in the future.

Most distributors’ response to the changing value of foreign and local titles are also characterised by *compromise*, as they attempt to balance the reduced value of foreign titles by increasing their commitment to local titles. However, even if local titles gain relative value, they remain higher risk investments. Most distributors therefore remain dependent on foreign titles, and the move towards local titles is gradual.

The use of “passive” responses and gradual change reflects the limited latitude Norwegian distributors have when navigating between powerful foreign competitors and platforms, as well as local producers, local policy, and local cinemas. These constant, but gradual, changes are also consistent with the expectation that film industry companies are *adhocracies* (Mintzberg 1987a). No year,

month, or film is the same as the previous one. Strategy might still be a force resisting change, but this is by managing change rather than avoiding it.

This also explains why local distributors have only been able to make significant changes along the local dependency pattern. We have seen companies - such as Arthaus, make gradual transitions between the *foreign-dominated* and *foreign-led* pattern as they increase their investment in local titles. The only significant shift in the resource dependency pattern was Sandrew Metronome/Norsk Filmdistribusjon's loss of resources. As there is no middle ground between the high- and the low-resource pattern, moving from one to the other would require a leap⁷⁴.

Norwegian low-resource distributors have occasionally been able to acquire expensive local market path titles and release them on attractive dates with significant marketing, effectively following high-resource patterns for a limited time. Sometimes local artistic path titles and foreign acquisitions can also deliver admissions more commonly expected from high-resource distributors. But to consistently apply high-resource strategies would also require output deals that secure attractive foreign titles. Even though these output deals have lost value with digitalisation, they remain a limited resource. Any new distributor wishing to pursue high-resource strategies must therefore be able to acquire these deals in competition with the already established high-resource distributors. As a result, the most attractive foreign output deals function as barriers to entry.

New paths, new challenges

Even a reader that still disagrees with this thesis' claim that 2012 was a pivotal year for the Norwegian film industry must agree that 2019 was the end of an era. The pandemic not only closed cinemas in Norway and elsewhere, it also accelerated the next phase of streaming video. Whatever "normal" the industry at some point returns to, it will be a new one.

⁷⁴ Or a fall

At the time of writing, both Norwegian movies and Hollywood have returned to cinemas. However, they return to a world where the fight for a share of the streaming market is a fight for a share of the entire film market. In their bid to survive the streaming shakeout, Hollywood majors are placing their libraries and the cinematic window on the table, while Silicon Valley is betting on algorithms and local content from around the world. No matter who survives the shakeout, the logic of streaming markets has already significantly changed the industry.

The “old market” based on a publishing logic was good for Norwegian movies. There was a low barrier to entry, where artistic movies could get decent audiences and commercial movies could get big audiences. A healthy home entertainment market secured a steady stream of additional income. Foreign movies did hold the major share of both cinema and home entertainment markets, but much of that revenue passed through local distributors and some of it could be invested in local titles.

What the new market will bring remains to be seen. What is certain, is that it will challenge the existing models for public film financing. NFI has argued that its more restrictive ex post policy was necessary in a digital and global market (NFI 2021). The 2021 policy effectively closed the ex post path while also exposing private investment in the artistic, market and regional paths to greater risk.

For producers of popular⁷⁵ comedies, where the ex post path was most successful, the streaming path might prove viable just as the ex post path is closing. These movies are rarely awarded NFI funds, but with relatively low production costs and relatively high admissions, they could succeed if they qualified for ex post support.

Broad comedies have also proven popular at home, with *Swingers* and *Fjols til fjells* (*Fools in the Mountain*, Holmsen 2020) as recent examples (Øfsti 2020). Based on

⁷⁵ In the sense that they appeal to popular tastes - actual popularity does not always follow.

the poor reviews, it also seems likely that *Blasted - Gutta vs. Aliens* (*Blasted*, Sofiedal 2022) would have struggled in Norwegian cinemas. However, as a Netflix exclusive, it topped Netflix' global non-English charts (Rushprint 2022).

So far, Netflix has been the most active purchaser of Norwegian movies and series. While its Norwegian originals so far have been humour and horror with relatively modest budgets, the upcoming *Troll* (Uthaug 2022) shows that Netflix is at least willing to explore high-budget⁷⁶ spectacles as well. If not, these are potential market scheme titles. While the reduced share of ex post support makes private financing more difficult, the increased threshold is less of a worry.

NFI's increased thresholds for ex post support for artistic path movies might, then, have bigger consequences than the closing of the ex post path. Artistic path movies like *Barn*, *Disco* and *Håp* might not be commercial streaming material and could struggle to reach the new ex post admissions threshold. While all three titles were well above the previous threshold, only *Håp* has a comfortable margin above the new threshold, and *Barn* is well below. For these types of movies to continue to exist there needs to be increased production funding from NFI or others to the point where producers don't rely on ex post support.

One such source of revenue might, of course, be foreign admissions. *Barn* did not get substantial foreign admissions, but it certainly put Dag Johan Haugerud on the map internationally. With *Verdens verste menneske* (*The Worst Person in the World*, Trier 2022), Joachim Trier also made another big step internationally. These might be indications that Norway can, like Sweden and Denmark, produce international arthouse hits in the future, and especially in a scenario where the resistance to subtitles in the US and other foreign markets is falling.

Another scenario that is attractive to Norwegian producers is to retain the cinematic window but offer early and/or exclusive home entertainment windows to

⁷⁶ At least for a Norwegian movie.

streaming services. We have already seen this with commercial movies like *Børning 3* and *I onde dager*. However, Arthaus and Motlys are also pursuing this model with Viaplay for their upcoming *Hør her'a!* (*Listen up!*, Tehrani 2023) as well as a trilogy of Dag Johan Haugerud movies: *Sex, Drømmer og Kjærlighet* (*Sex, Dream & Something Stupid Called Love*, Haugerud 2024)⁷⁷.

If successful, streaming models will be very attractive to Norwegian producers. Their offer of a flat fee will appeal to an industry that depends on staying in production at all times, and where profits are rarely expected. This will especially be the case given that cinemas are providing even more screen space to Hollywood blockbusters in an effort to squeeze as much as possible out of them before the limited cinema window closes. At its Norwegian premiere on January 21, 2022, *Spider-Man: No Way Home* (Watts 2021) was screened 76 times in Oslo. On the same day, all other movies had 66 screenings combined. When producers are faced with the choice between this level of competition and a small but safe profit, it should surprise no one if the number of Norwegian movies in cinemas drops.

In the short term, then, losing local commodification might only be a problem for distributors. If global and regional streamers can offer safe sources of revenue for all kinds of Norwegian movies, the industry could continue to thrive without local distributors.

However, depending on foreign streaming services to fund Norwegian movies has already presented some significant challenges. First of all, Norwegian producers have enjoyed a high degree of autonomy in the creation-centric Norwegian film industry. When they are no longer the main financier of their projects, that creative and economic autonomy will also shrink. This, in turn, has implications for Norwegian movies' place within the public sphere, which will be weakened if a significant share of local movies is financed by global corporations and adapted to

⁷⁷ While the current plan is to release the trilogy as three separate movies in close succession, the project has so far been referred to under this collective title.

global audiences. Exclusive streaming deals also erode the expectation that Norwegian movies should be available to the Norwegian public, at the very least in libraries.

Most critical is, however, the fickle nature of the global American streaming services. Netflix recently stopped all production in Denmark in a response to collective agreements that would force them to pay creators more. Warner recently decided that HBO MAX needed an international restructuring. This not only entailed stopping forthcoming productions, it even included the removal of existing shows. Among of those were the Norwegian HBO series, *Beforeigners* (Lien 2019-2022) and *Velkommen til Utmark* (*Welcome to Utmark*, Kári & Aakeson 2021).

Commodification is king

At the time of writing, Netflix has just posted its first subscriber loss. However, as this loss was also less than expected, Wall Street was happy. Whatever happens to Netflix between now and whenever you are reading this, it is clear that the company's position in the streaming market is no longer unassailable.

The truth of 2013, that "the new King-Kongs of the online world are, almost without exception, new to screen distribution" (Cunningham and Silver 2013, 47) is not the truth of 2022. In their article, Cunningham and Silver reference Jonathan Knee's *Atlantic* article "Why Content Isn't King", in which Knee argues that "scale and customer captivity" are the "prevalent sources of industrial strength" in all businesses and that "content creation" is not suited to either, while "aggregation" is (2011).

Netflix' path to success was not, however, simply that it was able to "aggregate" content. Nor was it the company's effective system for "movement of content from the time it is produced to the time it reaches the consumer", to use Braun's (2015) definition of distribution. Netflix' competitive advantage was that it solved the commodity problem of online video first.

Netflix' subscription model, and its impressive technical achievements (Fagerjord and Küng 2019), offered customers a value proposition that other forms of online video distribution had not. Because they were first, they were able to acquire content that already existed in other commodity forms cheaply. As the SVOD market rose in value, so did the content. To secure continued access to content, Netflix then leveraged its existing and future subscribers to invest in content creation.

Despite the Hollywood majors' early failures in online distribution (Cunningham and Silver 2013), at least some of them have proven able to enter the SVOD space. After Netflix demonstrated that the model could work, copying its distribution model was simply a question of time and money. Access to content was not an issue.

Content alone is not king. Good content is lost, drowned by the mediocre, every day. Distribution alone is not king. Good distribution systems can be copied or bought. Film industry success, and indeed any cultural industry success, rests on the power to acquire content that can be popular and the power to turn that content in products that audiences pay for. Commodification is king.

After the shakeout

We are "in a paradoxical situation in which film producers and distributors have everything to gain from the development of new media", at least if the producer and distributors in question are those that can profit from SVOD services. And "while theatre owners or managers suffer directly from the effects of the competition" (Miège 1989, 138) so does local film industries.

This is not the shakeout of the digital video distribution industry; it is the shakeout phase of the global digital film industry. The global American film industry is no longer divided between a streaming industry and a cinema industry, or between a film industry and a television industry. The new film industry follows both a hit-driven publishing logic and a loyalty building flow logic.

Whether this will lead to “a levelling off or a decrease in the number of movies shown in theatres” as well as “a profound transformation of the film-product itself (in aesthetics as well as in its conditions of production)” are questions for another time. However, those that believe that film still has a vital role in the public sphere, and that film remains a unique art-form, has to fight to avoid “the merging of the film industry with the heterogeneous audiovisual industries”. Even if Miège (1989, 138) did not “foresee” it.

For the Norwegian film industry, and likely almost all non-American film industries, some parts of this battle have already been lost. The role of foreign movies within local film industries will be reduced; the global digital American film industry no longer has to rely on companies around the world to facilitate local commodification and dissemination. Significant shares of local home entertainment markets around the world will be lost, because only the global American film industry has the resources to succeed within a global flow logic.

In some battles, compromise, if not victory, can still be reached. Cinemas, regional cooperation, and policy are among the available weapons. While the role of cinema in the future of the digital film industry is under threat, the role of cinemas for the Norwegian film industry has increased. What role they can continue to play for local movies will depend on the degree of blockbusterification and on local cinemas and local policy. However, even when cinemas are a part of global chains, their physical presence in a country provides some measure of defence against the waves of Hollywood.

Viaplay’s investments in Scandinavian movies and series, as well as StudioCanal’s recent global success (Meir 2019) show that there is hope for regional cooperation and distribution where local initiatives have struggled. The regional nature of SF Studios and Nordisk Film has also proven to be an advantage when dealing with platforms that prefer to think in territories rather than countries. Producers and distributors outside the conglomerates also need to find regional

solutions that help them gain prominence and extract revenue from home entertainment without compromising cinema revenue or pre-sales funding.

For local policymakers, some of the challenges presented by the global digital American film industry are relatively straightforward and others are more complex. Most European countries have already taken measures to compensate industry players for the loss of revenue, either through taxes or local production quotas – the first solution retains the independence of local creation, and the second increases the likelihood that local productions on global platforms will be given prominence.

The more complex questions, as both Michael Gubbins (2022) and Tomas Eskilsson (2022) have pointed out, regard the fundamental role of local film policy. This includes the question of when to support, and when to step aside. When new paths open for local movies, local policy should not close them down. However, while public funding might become less important for some parts of a local film industry, others will need it more.

What is certain is that no local film industry can afford to put all its eggs in the global American basket. Industries and policymakers must work to sustain all functions in local film industries, because loss of local dissemination erodes local prominence, loss of local commodification erodes local revenue retention, and loss of local creation erodes the public sphere.

Appendix

The analysis

The following pages presents a detailed analysis of the empirical material used to identify the patterns and the positions.

Data and methods

This appendix is based on historical data from the period 2008 - 2018, with some exceptions detailed below, and from observational data on Norwegian movies released in 2019.

The main sources for historical data were provided by the cinema interest organisation Film & Kino and the ticket sales portal and admissions tracker Filmweb.no. Additional data on home entertainment releases was provided by the Norwegian Media Authority through Videogramregisteret (the video title registry) and Platekompaniet, a leading DVD/Blu-ray retailer. NFI provided data on the availability of Norwegian titles on selected home entertainment platforms; this data also included details about the support schemes benefitting the selected titles. Additionally, NFI provided data on support awarded to distribution companies. While more data on support for Norwegian movies and distributors is available on the NFI webpages, it was not available in format that I could download neither directly nor using a web scraper.

The data provided by Film & Kino included title, premiere date, admissions in year of premiere and a single country of origin. This data was limited to movies that had been screened at a minimum of 10 different cinemas, the threshold Film & Kino sets for “regular” releases.

The data provided by Filmweb included title, distributor, multiple countries of origin in cases of co-productions, premiere date, and genres. The data provided by Filmweb also included *eksternittel*, a unique code consisting of three letters, which

indicated the distributor, and eight digits. This code was also a part of the url to the individual page on filmweb.no for each title⁷⁸.

I ran two web scrapers on filmweb.no to get yearly and weekly admissions for each title. These web scrapers were run twice to ensure the data collected was correct. From the scraped data, I was also able to extract the *eksternittel* code, allowing me to combine this data with the previous two datasets. By combining these datasets I could count and measure yearly admissions for local titles, foreign titles, and co-productions. I could also do quantitative analysis of genres and premiere dates for local and foreign titles.

The weekly admissions data was, however, too vast for my expertise and software to use in quantitative analysis. Nevertheless, when loading the data into a simple database programme, I was able to manually identify the last continuous week of cinema screenings for the 2019 titles. I included titles that had up to two weeks without screenings as long as they returned for continuous weeks after. This mainly applied to movies returning to cinemas after the summer holidays.

There is a high degree of transparency in the Norwegian cinemas, and the data provided by Film & Kino and Filmweb is very trustworthy. The data on home entertainment is for various reasons less transparent and less reliable. This partly because of the way the data is collected, and partly because there is less of it.

Videogramregisteret was established in 1987 to provide a baseline of control and editorial responsibility within the growing home entertainment market. All titles sold in physical formats or as EST or TVOD on platforms with servers in Norway were required to register until 2022, when oversight ended. While this data is self-reported and of varying quality, it includes information about each title's distributor, original and Norwegian titles, and registration dates useful to my analysis. The data from Videogramregisteret also distinguishes physical from digital

⁷⁸ The URL for *Barn* on Filmweb is filmweb.no/film/ART20180389. ART is the code for Arthaus titles. Spot checks suggest that the first four digits indicate the year the title was registered on Filmweb.

releases by grouping titles into five registration categories: merke (certificate), trykt merke (printed certificate), VOD, trykt merke + VOD (printed certificate + vod) and inaktiv (inactive)⁷⁹.

There were also other limitations to the Videogramregisteret data: EST/TVOD releases on platforms with foreign servers, such as iTunes, are not recorded, which means data on digital releases is less reliable than that on physical releases. Additionally, Videogramregisteret does not contain home entertainment *release* dates, only the dates the entry was registered by the distributor. Data from Videogramregisteret was first cleaned by cross-referencing Norwegian titles with the Filmweb data and removing all distributors that did not release a single title in cinemas. Most of these were pornography specialists.⁸⁰

Norwegian titles appearing in the Filmweb dataset but not Videogramregisteret were examined manually, and in cases where they appeared under slight name variations, such as spelling numbers in the title of sequels in roman or Arabic numerals, the eksterntittel code was added manually. However, due to the sheer volume of titles in Videogramregisteret, this was not done for foreign titles. Data on Norwegian DVD and Blu-ray releases provided by Platekompaniet captured largely releases from 2015 or later, with only a few older titles; all the retailer data was also limited to titles still in stock. Eksterntittel also added to this dataset.

In theory, NFI publishes data on all funding and funded titles on its website. In practice, the website data has been unreliable for several years as NFI has been migrating to a new database. Some data is missing, some data is difficult to find, and very little is easily accessible in a format that allows for quantitative research.

⁷⁹ The distinction between “certificate” and “printed certificate” is that the former is issued as a sticker to put on the cover and the latter is printed on the cover. In practice the “certificate” covers imports originally released in other markets.

⁸⁰ Some distributors were also removed where it was evident, often from the original title, that an apparently matching title in Filmweb was in fact not the same movie.

Multiple requests for data were unsuccessful, with two exceptions. I was provided with data on support awarded to distributors from 2013 to 2022, including support awarded by Film&Kino, which administered the schemes until 2016. I was also provided with the datasets that were sources for NFI's reports on the availability of Norwegian movies in the home entertainment market in 2014, 2015 and 2016. This data included support scheme funding information for Norwegian movies from 2010 to 2016. Again I added eksterntittel to the data to cross-reference with the other sources. In addition I manually added data from the NFI budgets on reported budgets, production support, and marketing support for Norwegian movies released in 2019. For some of the movies that did not receive NFI support I was able to find reported budgets from news stories.

In addition to information I received from other sources, I have classified movies as based on "known" content or "original" stories. All films based on novels, television series, specific historical events, or figures, as well as sequels, have been defined as "known". Films set in historical periods that do not involve specific events or historical figures are considered "original".⁸¹ Documentaries remain a separate category.

Most figures in this appendix only include distributors with at least 10 regular release titles between 2008 and 2018. In most cases I have also excluded companies whose primary function is not film distribution, such as film festivals, cinemas, and independent distribution⁸², including distribution companies that only distribute movies made by a parent company. An exception to this general rule is when local

⁸¹ While the category "known" implies that in most cases this would be stories or events generally known by the public, this is not always the case. Public knowledge that *Oslo 31. August* (Trier 2011) was based on the 1931 French novel *Le feu follet* by Pierre Drieu La Rochelle, was probably not a significant factor in its success.

⁸² In the Filmweb and Film & Kino data "independent distribution" includes all titles where they have no registered distributor. In most cases this is either one-off distribution by a production company or companies, groups or individuals that have imported or organised screenings of a single film. Not to be confused with the *independent* position.

titles have been examined. In most of these cases, distributors that have released less than four local titles in the period have been grouped as “others” for clarity.

Observational data included in the broader dataset encompasses release dates, windows, and prominence on home entertainment platforms for Norwegian movies released in 2019.

Table 28: Norwegian movies released in 2019

Norwegian title	English title	Distributor	Production company	Director	Path
Psychobitch	Psychobitch	Norsk Filmdistribusjon	Ape&Bjørn	Martin Lund	Artistic
Hvor man vender tilbake	Where man returns	Independent distribution	Yellow log	Egil Håskjold Larsen	Artistic (Documentary)
Born2Drive	Born2Drive	Norsk Filmdistribusjon	Fenomen Studios	Daniel Fahre	Artistic (Documentary)
Amundsen	Amundsen	SF Studios	Motion Blur	Espen Sanberg	Market
Kamel	The Artic Camels	Tour de Force	Relation 04 Media	Karl Emil Rikardsen	Artistic (Documentary)
Ut og stjele hester	Out Stealing Horses	Nordisk Film Distribusjon	4 1/2	Hans Petter Moland	Artistic
Jeg ser deg	Beyond	Europafilm	Turbin Film	Maria Salazar	Ex Post (Documentary)
Askeladden - I Soria Moria slott	The Ash Lad: In Search of the Golden Castle	Nordisk Film Distribusjon	Maipo	Mikkel Brønne Sandemose	Market
Hjelpertyteren	110% Honest	Norsk Filmdistribusjon	Ape&Bjørn	Jannicke Systad Jacobsen	Artistic
Barn	Beware of Children	Arthaus	Motlys	Dag Johan Haugerud	Artistic
Kaptein Sabeltann og Den magiske diamant	Captain Sabertooth and the Magic Diamond	Nordisk Film Distribusjon	Qvisten	Marit Moun Aune & Rasmus A. Sivertsen	Market
Astrup - Flammen over Jølster	Astrup: Catching the Flame	Norsk Filmdistribusjon	Handmade films in Norwegian woods	Pål Øie	Regional

Villmarksbarna - En eventyrlig reise	The Wilderness Children	Storytelling	TMM Produksjon	Dag Rune Johansen	Regional
Disco	Disco	Mer Film Distribusjon	Mer Film	Jorun Myklebust Syversen	Artistic
Brillebjørn på ferie	Bo Bear's vacation	Selmer	Spark	Liv Glesne Kjølstad	Ex Post (Children's)
Swingers	Swingers	SF Studios	Storyline NOR	Andrejs Ekis & Stig Frode Henriksen	Ex Post
Spionen	The Spy	Nordisk Film Distribusjon	4 1/2	Jens Jonsson	Artistic
Operasjon Mumie	Operation Mummy	SF Studios	Filmeratene	Grete Bøe-Waal	Ex Post (Children's)
De dødes tjern	Lake of Death	SF Studios	Canopy Film	Nini Bull Robsahm	Ex Post
Snekker Andersen og Julenissen: Den vesle bygda som glømt at det var jul	Forgotten Christmas	Nordisk Film Distribusjon	Fantefilm Fiksjon	Andrea Eckerbom	Market
Håp	Hope	SF Studios	Motlys	Maria Sødahl	Artistic
Tunnelen	The Tunnel	Nordisk Film Distribusjon	Nordisk Film Production	Pål Øie	Market
Benjamin Falck og dødsolken	Legend of the ghost dagger	Star Media Entertainment	Creative Lads	Martin Sofiedal	Only released on EST/TVOD
Fuglane	The Birds	Independent distribution	Viper Film	Anders T. Andersen	Regional
DU		Independent distribution	Filmavdelingen	Paul Tunge	Regional
Tønes		Euforia		Kristian Landmak & André Løyning	Regional

This list includes four titles that had no, limited, or alternative releases. *Benjamin Falck og dødsolken* was a rare example of a direct-to-video release. *DU* and *Fuglane*

only had limited or festival screenings. *Tønes* had a limited regional release, but as it was screened at 10 cinemas it was considered a regular release by Film & Kino⁸³.

For reasons detailed in chapter 2, home entertainment observations began before I had fully developed the methodology used in this thesis and made the final selection of which platforms to observe. Observations ended in February 2021, when *Tummellen*, the last local movie released in 2019, had been in the SVOD window for 14 days.

Table 29: Home entertainment observations

Date	Platforms added	Data recorded
05.06.2019	iTunes - US EST/TVOD, Blockbuster - Danish EST/TVOD, Viaplay-Scandinavian SVOD, Viaplay Store - Scandinavian TVOD	Category and rank for 2019 titles, category for older titles.
26.08.2019		First 100 of iTunes top chart, using web scraper. Only Norwegian titles added to final database. Last run 07.10.2019.
21.10.2019		Norwegian titles in the first 100 of iTunes Top Chart added manually. EST and TVOD prices for 2019 titles added.
26.11.2019		All Norwegian titles in the iTunes Top 200 Chart added manually
28.10.2019	Altibox - Norwegian internet/television provider distributor with EST/TVOD offers to customers, Google Play - US EST/TVOD	
04.11.2019	Get - Norwegian internet/television provider with EST/TVOD offers to customers	
26.12.2019	TV2 Sumo - Norwegian SVOD	
26.02.2020		From 26.02.2020 and until 24.03.2020 there are no observations of the iTunes Top Chart.
21.04.2020	Nettkino - Norwegian TVOD	Category, row, and rank (column) for all Norwegian titles. All rows and total number of titles in each row. Rows with no Norwegian movies marked "series only", "no Norwegian movies" or "navigational element".

⁸³ Film & Kino included two co-productions in their list of 25 Norwegian movies released in 2019. I have not included them in the list above and did not record observations of them on home entertainment platforms. However, they are included as Norwegian movies in Figure 4 in Introduction Part 2 as all data in Figure 4 is from Film & Kino.

16.06.2020	SF Anytime - Swedish EST/TVOD	Added EST and VOD price for all titles when observable without extra navigation, added SVOD field with provider for platforms that offered SVOD and EST/TVOD.
16.09.2020	Get changed name to Teliaplay	
03.02.2021		Final week of observations

Corporate strategies

Based on the available data corporate strategies of Norwegian distributors can be grouped as ownership, marketing enabling, acquisition enabling and release enabling strategies.

High-resource companies pursue marketing, acquisition and/or release enabling strategies through vertical integration and long-term deals. Low-resource distributors can sometimes also reach long-term deals, but are often more dependent on less formal relationships.

While being part of a large conglomerate is crucial for access to high-resource strategies, low-resource distributors that invest in local movies also depend on having owners with long-term perspectives.

Parent company

Most Norwegian distributors have a parent company, and all companies pursuing high-resource strategies are either local subsidiaries of Hollywood studios or part of Scandinavian conglomerates.

The owners of most Norwegian distribution companies regularly investing in local movies have long-term perspectives and/or are not purely driven by economic motives. This corporate disposition reduces risk because it allows a distribution company to absorb short-term losses, and it applies equally to smaller companies like Euforia and Norsk Filmdistribusjon that are, or have been, owned by production companies and/or other interested parties, and to large companies like Nordisk Film

Distribution, which is owned by the Egmont Foundation. SF Studios is owned by the wide-reaching, family-owned Bonnier corporation, which focuses mainly on publishing and other media. Bonnier's continued involvement in the Norwegian film industry even through lean times for the movie business suggests they are not motivated solely by short-term profit.

The same cannot be said about Norwegian newspaper conglomerate Schibsted, which owned Norsk Filmdistribusjon when it operated as Sandrew Metronome. Schibsted acquired Norsk Filmdistribusjon as well as the Swedish Sandrew and Danish Metronome in 1991, and the company quickly became a major Norwegian distributor (Disen 1997, 264–65). But in 2010 Schibsted divested from all Scandinavian film and cinema assets, citing “dramatic changes” in the sector (Pahm 2010). It does not seem unreasonable to assume the instability of the industry was a factor in this decision.

After 2010, Norsk Filmdistribusjon has been actively seeking new owners twice. In 2011, the company was purchased by the then municipal cinema in Oslo. When Oslo Kino was sold to Nordisk Film Kino in 2014, Norsk Filmdistribusjon was bought by its CEO and a shifting group of interested parties, including various individuals in the film industry and for a time the production company Motlys – a move likely prompted by a desire to keep the company afloat rather than out of profit or other industry motives. In 2021, the company was purchased by a group that also owns the VOD platform Nettkino, and Kulturmeglerne, a company that offers marketing and related services to the cultural industries.

With the exception of two Norwegian titles released by Walt Disney Pictures Nordic in 2012 and 2014 respectively, there was no Hollywood involvement with local movies. Ownership of local distributors was, then, largely local or Scandinavian and largely in small constellations or in conglomerates where film and other cultural industries such as publishing remain the core businesses.

Acquisition-enabling strategies

At a corporate level high-resource distributors gain easier access to local titles and foreign titles through vertical integration and long-term deals. While low-resource distributors occasionally make long-term deals they rely more on relationships.

Both SF Studios and Nordisk Film Distribution are vertically integrated with production companies and distribute the local films made by “their” production companies and foreign titles from their Nordic sister companies. They also secure foreign films through output-deals with European and American studios and distributors.

There are also several examples of long or short-term cooperation between distribution and production companies without ownership interests. Most established production companies seem to have their “go-to” distributor, although these can shift over time or from movie to movie.

Release-enabling strategies

Through vertical integration or long-term deals, high-resource distributors use vertical integration and long-term deals to gain access to release opportunities and reduce the cost of releasing titles. Examples of high-resource strategies are SF Studios’ establishment of the pioneering VOD service SF Anytime in 2002 (Høier 2009) and Nordisk Film Distribusjon’s decision to end its premium-SVOD deal with Viaplay in favour of Egmont owned TV2 (Helle 2019).

Many low-resource companies prefer to use a specialist home entertainment distributor, while the high-resource companies do this in-house. The collaboration between Arthaus and the home entertainment distributor Star Media is an example of a low-resource release-enabling strategy.

Marketing enabling strategies

Through vertical integration or long-term deals, Norwegian distributors gain access to and reduce the cost of marketing opportunities. In this thesis, I have chosen not to

examine marketing specifically. There are, however, examples of joint marketing campaigns involving several companies in the Egmont conglomerate, such as Nordisk Film Kino, Nordisk Film Distribusjon, ticket sales portal Filmweb and cinema ads vendor Media Direct Norge (Film & Kino 2019).

Acquisition strategies

The kind of movies the distributor acquires and what level of investment the distributor offers is the strongest factor in determining the company's position in the market. Almost all Norwegian distributors acquire foreign rights, invest in foreign movies through the acquisition of local screening rights of individual titles or through output deals with foreign studios such as Hollywood studios. Their investment in and dependence on local movies, however, varies greatly.

Investment level

The cost of marketing and acquiring foreign titles is not public knowledge in Norway, but it is safe to assume that it is, over time, closely linked to admissions. From Figure 8 we see Hollywood subsidiaries are, unsurprisingly, among those investing the most. However, we also see that SF Studios and Sandrew Metronome invested considerably in foreign titles.

While Nordisk Film Distribusjon invests considerably less in foreign titles than the other high-resource companies, its investment in local movies is significant; the company distributed more than half the expensive market scheme movies released between 2011 and 2015. Along with SF Studios, Nordisk Film Distribusjon also invested in significantly more local movies than the other distributors.

The Norwegian 2019 releases confirm closely to expectations.⁸⁴ The high-resource distributors released the most expensive titles and spent more on marketing. Nordisk Film Distribusjon released four of the five market path titles, as

⁸⁴ See Table 6 in Introduction Part 2.

well as the two most expensive artistic path titles. SF Studios released the most expensive local title of 2019, *Amundsen*. SF Studios' artistic path title was the third most expensive artistic path title of 2019. Norsk Filmdistribusjon also confirmed their position as the lead independent by releasing four local titles, while none of the other low-resource distributors released more than one.

Release frequency

The high-resource vs. low-resource pattern was again found in the release frequency, although it is far less pronounced. The companies that released the most titles were high-resource companies, and the companies releasing the fewest were low-resource companies, but the low-resource companies with the highest frequencies overlapped with the high-resource companies with lower frequencies.

Additionally, the companies that released a larger number of titles have a more consistent volume of releases. Most distributors released titles at fairly consistent intervals from year to year, and any interruptions in this cadence are largely part of a change in strategy, or exceptional years. Moreover, the frequency of foreign movies was generally more stable than the frequency of local movies.

Norwegian vs. foreign titles

The main area where the high versus low-resource pattern does not apply is the distributors' *reliance* on local movies – Figure 12 shows high- and low-resource distributors at both ends of the graph.⁸⁵ In general, acquiring foreign rights carry less risk than investing in local production: investments are lower, and stars and predictably bankable content mitigate risk.

Foreign movies also tend to be finished and can therefore be assessed on their quality as well as their promise. It is no surprise, then that all Norwegian distributors that release Norwegian titles also release foreign titles.

⁸⁵ It is worth noting that co-productions tend to be distributed by low-resource distributors.

Known or original

The high- vs. low-resource pattern emerges again with the sourcing of screenplays for local movies – SF Studios and Nordisk Film Distribusjon distributed significantly more movies with screenplays based on known content than original screenplays.

The low-resource distributors released far more local movies based on original stories than based on known content.

For Norsk Filmdistribusjon and others that released more original than known content movies, the latter still provided a significant portion of all admissions combined. This suggests that even though these movies may be more expensive, they pull significant weight commercially.

Table 30: Source of screenplays for local 2019 titles

Norwegian title	Distributor	Screenplay based on
Psychobitch	Norsk Filmdistribusjon	Original story
Born2Drive	Norsk Filmdistribusjon	Documentary
Amundsen	SF Studios	Historical events
Kamel	Tour de Force	Documentary
Ut og stjæle hester	Nordisk Film Distribusjon	Novel
Jeg ser deg	Europafilm	Documentary
Askeladden - I Soria Moria slott	Nordisk Film Distribusjon	Fairytale, Sequel
Hjelperytteren	Norsk Filmdistribusjon	Original story
Barn	Arthaus	Original story
Kaptein Sabeltann og Den magiske diamant	Nordisk Film Distribusjon	Play
Astrup - Flammen over Jølster	Norsk Filmdistribusjon	Historical events
Villmarksbarna - En eventyrlig reise	Storytelling	Documentary
Disco	Mer Filmdistribusjon	Original story
Brillebjørn på ferie	Selmer	TV series
Swingers	SF Studios	Remake
Spionen	Nordisk Film Distribusjon	Historical events
Operasjon Mumie	SF Studios	Novel
De dødes tjern	SF Studios	Novel

Snekker Andersen og Julenissen: Den vesle bygda som glømte at det var jul	Nordisk Film Distribusjon	Novel
Håp	SF Studios	Original story
Tunnelen	Nordisk Film Distribusjon	Original story

Again, the 2019 releases closely follow expectations. Of the six titles based on original screenplays, SF Studios and Nordisk Filmdistribusjon distributed one each. If *Astrup - Flammen over Jølster* is defined as a documentary⁸⁶, *Brillebjørn på ferie* is the only title released by a low-resource distributor based on known content.

Genre

The high- vs. low-resource pattern can to some extent also be found when examining which genres of movies the distributors acquire. While high-resource companies buy a relatively even mix of genres, low-resource companies tend to be far more specialised.

As Figure 15 shows, Arthaus, Mer Filmdistribusjon and Fidalgo's arthouse specialisation is concentrated around drama and an absence of genre movies in categories such as action, horror, and sci-fi/fantasy. Another World, on the other hand, released a significant number of horror movies, while Corianderfilm and Kontext specialised in children's movies.

These genre preferences become stronger when local movies are included – for example, all Another World's Norwegian movies had a connection to horror. Kontext's one Norwegian film was a children's movie, and all of Arthouse's releases were dramas. Documentary specialist Tour de Force released 14 Norwegian documentaries and one Norwegian fiction film between 2008 and 2018. Tour de Force also released 26 foreign documentaries, far more than any other distributor.

⁸⁶ NFI defines the film as a documentary. However, it can be argued that its extensive use of feature film elements goes beyond re-creation and into biopic territory.

Country of origin

Finally, when examining what regions distributors acquire titles from globally, we again see the high- vs. low-resource pattern. High-resource companies mainly acquire titles from the USA, while low-resource companies acquire titles mainly from Europe and/or other regions. There is some deviation, however, with Nordisk Film Distribusjon, which has fewer US titles than Norsk Filmdistribusjon.

Cinema release strategies

After acquiring distribution rights, Norwegian distributors further perform the commodification function by marketing movies and deciding when and how to release them for dissemination. Until very recently, as discussed in chapter 3, all Norwegian movies were first released in cinemas. Cinema release strategies are therefore of vital importance, especially for Norwegian movies. While foreign movies can to some extent rely on word-of-mouth and marketing from other markets, the commercial fate of Norwegian movies is more often than not decided during the opening weekend.

While the decision to open widely, in many cinemas, or narrowly, selecting only a few cinemas in the beginning, is considered a key distribution strategy in the film industry more broadly, it is not a strategy used by Norwegian distributors. Most Norwegian movies tend to open as widely as possible, and after the digitalisation of the cinemas this tends to mean a movie either opens in a cinema on the premiere date or not at all. This approach is the subject of some discussion and may yet shift – as the case studies show, more varied release strategies may be adopted.

Preferred dates

While foreign releases in Norwegian cinemas are spread quite evenly throughout the year, the seasonal variations for local titles are significant. Norwegian releases

peak around March and September/October. Almost no Norwegian movies are released during the summer.

The high- vs. low-resource pattern is evident in the preferred dates. The autumn peak of Norwegian movies is driven by the high-resource companies, which distribute half or more of the releases from August through December. The low-resource companies tend to prefer spring releases to avoid both the dead period in the summer and the heavier competition in the autumn. This same pattern is evident in November and December, when SF Studios and Nordisk Film Distribusjon continue to release titles despite increased foreign competition, while the smaller distributors avoid these months. SF Studios and Nordisk Film Distribusjon were also the only distributors to release local movies on December 25, a very attractive date.

Festivals

For artistic path movies, the main factor in deciding the premiere date is finding a fitting festival in which to premiere. Artistic path movies generally depend on good reviews and word-of-mouth buzz, both of which festivals can generate.

Four of the six artistic scheme movies released in 2019 premiered at festivals. Nordisk Film Distribusjon had *Ut å stjele hester* in Berlin, Arthaus showed *Barn* in Venice, SF Studios opened *Håp* in Toronto and Mer had *Disco* in San Sebastián. The subsequent gap between festival release and national premiere varied.

Seasonal content

Films that are seasonal in some ways tend to be released in approximately the same season as they take place. This is obvious in the case of Christmas movies. Every year since 2010, with the exception of 2018, saw some kind of Christmas-themed children's movie released the first weekend of November.

Its Christmas setting was probably also a factor in releasing *Håp* at the end of November, a relatively long time after the Toronto premiere. Movies that are more generally "warm" or "cold", too, tend to be released in the appropriate season.

Psychobitch and *Amundsen* both feature copious amounts of snow and were released in late winter/early spring.

Home entertainment strategies

While the home entertainment market saw a dramatic fall in the number of releases in 2012, there are still substantially more titles available every week at home than in cinemas. Norwegian movies have not yet proven viable on these platforms, and so this additional volume is almost entirely made up of foreign titles. Some Norwegian TV shows do get DVD and/or TVOD/EST releases, but again this volume is small compared to the number of foreign TV shows released. The home entertainment market is therefore dominated by the high-resource foreign-led and foreign-dominated companies that acquire the rights for Hollywood movies.

All companies with a significant share of direct-to-video releases have reacted to the same trends in approximately the same manner – reducing the total number of titles, mainly by dropping re-releases. While the number of Norwegian TV shows and catalogue titles has fallen from its peak around 2010, most new Norwegian movies receive some kind of home entertainment release.

The home entertainment strategies have been analysed as a part of the overall distributor strategies. While there are clear indications that for some distributors this is the case, not all home entertainment decisions are taken by the distributor.

There are also examples where distributors have acquired home entertainment rights for older titles originally released by others. Although this has not been systematically examined, I have noticed such acquisitions by Nordisk Film Distribusjon and SF Studios. In many cases, it seems likely the home entertainment rights lay with a production company later acquired or made home entertainment deals with SF Studios or Nordisk Film Distribusjon.

One such example is that Nordisk Film Distribusjon seems to hold the rights to *Elling (Me, My Friend and I*, Næss 2001) and *Mors Elling (Mother's Elling*, Isaksen 2003), which were produced by Maipo and originally distributed by UIP. These titles

were regularly promoted as a part of the Nordisk Film+ streaming service. However, the final film in the trilogy, *Elsk meg i morgen* (*Love me tomorrow*, Næss 2005), was not, suggesting that those rights might not have been acquired.

Most of the low-resource distributors do not release home entertainment titles themselves but use specialist distributors. Euforia and Mer Filmdistribusjon release only their own cinema titles, while Star Media and Another World Entertainment are home entertainment specialists that release far more home entertainment than cinema titles. This includes both foreign and local titles originally distributed by other low-resource cinema distributors.

Success in the home entertainment market does still largely depend on success in the cinemas – distributors measure the relative success in the home entertainment markets as *conversion rate*, thus linking performance in the second market to the first. With that said, only limited sales numbers in the physical home entertainment markets were publicly shared, and no digital sales are shared at all, which limits data available on an individual company basis.

Reports on the top 10 best-selling DVD titles annually from 2006 to 2012 show the average conversion rate hovering just around 50% at the height of DVD sales volume. In 2012, the conversion rate fell to 36%; as sales volume dropped, sales figures were no longer shared.

Window length

Window length has been a point of contention for a few years. Cinemas have increasingly felt threatened by a shortened cinematic window, and as the home entertainment market has lost value, distributors increasingly want to draw attention from cinema releases into the home entertainment markets.

While the data on DVD release dates is limited, it does not suggest any major changes in cinematic windows for Norwegian movies in the period under discussion. However, we once again find the high- vs. low-resource pattern in this distribution channel. With the exception of Another World, whose seven non-

Christmas titles were released an average of 98 days after the cinema premiere, the low-resource distributors have significantly longer windows than the high-resource distributors.

Among the smaller distributors, the long DVD windows might be the result of late decisions to release a DVD at all. Mer Filmdistribusjon's *Hoggeren (The Tree Feller, Syversen 2017)* and *Fra Balkongen (From the Balcony, Giæver 2017)* were both released almost two years after their cinema premieres, and *Mot naturen (In Natura, Giæver and Vold 2014)* almost five years after its cinema premiere. All three had, however, been released digitally earlier, and the decision to release these titles on DVD coincided with the release of the very successful *Hva vil folk si (What will people say, Haq 2017)*, 164 days after its cinema premiere.

The very shortest windows seem to be reserved for movies expected to have short cinema runs. Both SF Studios and Nordisk Film Distribusjon released documentaries on DVD just 45 days after the cinema premiere and Another World Entertainment released *VampyrVidar (Vidar the Vampire, Berg 2017)*, a low-budget title that sold less than 2000 tickets, after 45 days.

In 2019 *Hjelpeytteren* failed at the box office and also saw a 45-day window. This was significantly shorter than Norsk Filmdistribusjon's other titles the same year, which all had 129-day windows. In 2019, the high- vs. low-resource pattern was not evident in the length of the cinematic windows. While Selmer's *Brillebjørn på ferie* had a 120+ day window, titles from Storytelling, Arthaus and Mer Filmdistribusjon all stayed below 100 days.

A high- vs. low-resource pattern was slightly more evident in the structure of the home entertainment releases. In 2019 Nordisk Film Distribusjon consistently released titles in an EST-exclusive window followed by DVD/Blu-rays, creating a sales exclusive window before the titles were available on TVOD. SF Studios followed the same pattern, with the exception of *Operasjon Mumie*, which was released digitally and physically at the same time. This release, and the long EST

window for *Amundsen*, were connected to physical campaigns and are discussed in the next chapter.

Among low-resource distributors, only Arthaus and Mer Filmdistribusjon chose similar release patterns. None of the others had EST exclusive windows, although *Psychobitch* had a short physical exclusive window. *Hjelperytteren* did not receive a physical release, and *Brillebjørn på ferie* had a short window where it was only available on DVD and EST, before TVOD. *Astrup - Flammen over Jølster* and *Villmarksbarna - En eventyrlig reise* were available on TVOD the same day as both EST and physical releases.

Villmarksbarna also saw a very short TVOD window, as it was broadcast by NRK and made available on the national broadcaster's player only 28 days after the TVOD release and just 87 days after the cinema premiere. Finally, *Kamel* and *Jeg ser deg* did not see traditional home entertainment releases at all.

Only two 2019 titles, *Swingers* and *De dødes tjern*, had "dark windows" in which they were no longer in cinemas and not available as home entertainment. Both were distributed by SF Studios. However, almost all titles had made well over 90% of their total admissions by the time they were available in the home entertainment markets.

Formats

As Figure 22 shows, almost all Norwegian movies get some kind of home entertainment release. Most of these also get a physical release, and some get both DVD and Blu-ray releases⁸⁷. The formats in which titles are released are mainly based on expected sales, although smaller companies seem to have a higher threshold for committing to DVD and Blu-ray releases than bigger companies. The exception is the more specialised distributors, which often release Blu-rays even of

⁸⁷ However, there is only 4K Ultra HD release, *Supervention II* (Aarskog, Christensen & Nyhagen 2016), and the only Norwegian 3D movie, *Blåfjell 2 - Jakten på det magiske horn* (*Magic Silver II*, Næss 2011) is the only Blu-ray 3D release.

poorly selling titles, and some of the smaller distributors, which forego physical releases entirely.

Another World and Arthaus have released Blu-rays of titles with less than 2000 and 8,000 admissions respectively, and only one of Another World's 10 releases is not physically available at the time of writing.

Mer Filmdistribusjon, through Star Media, has never released a Blu-ray, not even of *Hva vil folk si* despite it selling more than 100,000 tickets⁸⁸. By contrast, high-resource distributors Nordisk Film Distribusjon and SF Studios have released Blu-rays for titles selling about 40,000 and 30,000 tickets respectively. Many of the smaller companies have most likely not released any Blu-ray titles, and some children's movies selling more than 200,000 cinema tickets have only been released on DVD.

In 2019, SF Studios and Nordisk Film Distribusjon released all their titles on Blu-ray. With the exception of *Barn*, released by Arthaus, none of the low-resource distributors' released Blu-rays.

Pricing

Unlike movie tickets, the cost of renting or purchasing a movie in the home entertainment market varies on a per title basis. The price of DVDs and Blu-rays varies slightly, though generally on the basis of how new the film is (and in some cases extra is charged for special or limited editions). No historical data is available for VOD, but there is clear evidence that new films enter the market at significantly different price points, and that pricing changes at different intervals for different titles.

The 2017 title *Hva vil folk si* still sells at NOK 139 on iTunes, while most 2018 titles sell at NOK 79. This difference is particularly significant as it indicates the

⁸⁸ After submission the author discovered that despite missing in the database, *Hva vil folk si* was released on Blu-ray

perceived quality of titles can be linked to price – *Hva vil folk si* received significant critical acclaim, in addition to selling more than 100,000 tickets. *Hoggeren*, another 2017 release from Mer Filmdistribusjon, is at the time of writing priced at NOK 99. While *Hoggeren* also received critical accolades, neither the praise nor the much lower ticket sales – 15,000 – were comparable to *Hva vil folk si*, suggesting Mer Filmdistribusjon considers the latter a better value proposition and priced it accordingly.

Table 31: Price points for local 2019 releases

Title	Distributor	Initial EST price point	Min Est price	Max Est after a year ⁸⁹
Amundsen	SF Studios	139	49	79
Ut og stjele hester	Nordisk Film Distribusjon	139	49	79
Askeladden - I Soria Moria slott	Nordisk Film Distribusjon	139	49	79
Kaptein Sabeltann og Den Magiske Diamant	Nordisk Film Distribusjon	139	49	79
Swingers	SF Studios	139	69	89
Spionen	Nordisk Film Distribusjon	139	49	79
Operasjon Mumie	SF Studios	139	49	79
De dødes tjern	SF Studios	139	79	79
Snekker Andersen og Julenissen: Den vesle bygda som glømt at det var jul	Nordisk Film Distribusjon	139	99	99
Håp	SF Studios	139	79	79
Tunnelen	Nordisk Film Distribusjon	139	49	139
Born2Drive	Norsk Filmdistribusjon	99	79	99
Kamel	Tour de Force	0		0
Jeg ser deg	Europafilm	0		0
Hjelpertytteren	Norsk Filmdistribusjon	99	99	99
Barn	Arthaus	99	79	79
Astrup - Flammen over Jølster	Norsk Filmdistribusjon	99	99	99
Villmarksbarna - En eventyrlig reise	Storytelling	99	99	99

⁸⁹ This column contains calculation errors discovered by the author after thesis submission.

Disco	Mer	99	99	99
Brillebjørn på ferie	Selmer	99	99	99
Benjamin Falck og Dødsdolkene	Star Media Entertainment	79	79	79
Psychobitch	Norsk Filmdistribusjon	99	79	99

When examining pricing strategies in 2019, we once again find a high- vs. low-resource pattern. SF Studios and Nordisk Film Distribusjon's pricing strategies are far more active than those of the low-resource distributors, starting higher, but adjust more quickly.

Streaming

Using data from three spot-checks undertaken by NFI from 2014 to 2016, we again see a distinct difference between the high-resource distributors and the low-resource distributors. SF Studios and Norsk Filmdistribusjon had far better access to streaming services, especially Netflix and HBO. Most low-resource distributors had no titles on streaming services, however, Tour de Force released documentaries to Norwegian broadcasters, and Norsk Filmdistribusjon had some of its titles on TV2 and Scandinavian streamers. The exception among the low-resource companies is Euforia, which had nine recent titles on Netflix in 2014 as well as titles on C More and TV 2.

Streaming releases for local 2019 titles once again follow the pattern seen in other categories. With the exception of *De dødes tjern*, all of SF Studios' and Nordisk Film Distribusjon's titles went to paid SVOD services about a year after release. *Barn* had a similar SVOD release, unlike the other low-resource distributors whose titles went to broadcasters first.

Table 32: Streaming releases for local 2019 titles, days after theatrical

Title	Distributor	1st SVOD	Second SVOD	Free-to-air/streaming
Psychobitch	Norsk Filmdistribusjon	Amazon Prime		743 (NRK)
Born2Drive	Norsk Filmdistribusjon	424 (Dplay)		428 (TVNorge)
Amundsen	SF Studios	368 (C More)	1096 (HBO)	806 (NRK)
Kamel	Tour de Force			625 (NRK)
Ut og stjele hester	Nordisk Film Distribusjon	376 (Viaplay)	? (TV2 Play)	764 (NRK)
Jeg ser deg	Europafilm			
Askeladden - I Soria Moria slott	Nordisk Film Distribusjon	402 (Viaplay)	472 (TV2 Play)	
Hjelperytteren	Norsk Filmdistribusjon			547 (NRK)
Barn	Arthaus	374 (C More)		825 (NRK) (Filmoteket)
Kaptein Sabeltann og Den magiske diamant	Nordisk Film Distribusjon	444 (Viaplay)		923 (NRK)
Astrup - Flammen over Jølster	Norsk Filmdistribusjon			450 (NRK)
Villmarksbarna - En eventyrlig reise	Storytelling	472 (Get)		87 (NRK) (Filmoteket)
Disco	Mer Filmdistribusjon			424 (NRK) (Filmoteket)
Brillebjørn på ferie	Selmer			436 (NRK) (Filmoteket)
Swingers	SF Studios	367 (C More)	(Viaplay)	
Spionen	Nordisk Film Distribusjon	400 (Viaplay)		765 (NRK)
Operasjon Mumie	SF Studios	367 (C More)		533 (NRK) (Filmoteket)
De dødes tjern	SF Studios	Shudder (US Only)		
Snekker Andersen og Julenissen: Den vesle bygda som glømt at det var jul	Nordisk Film Distribusjon	395 (Viaplay)		770 (NRK)
Håp	SF Studios	409 (Viaplay)		756 (NRK) (Filmoteket)
Tunnelen	Nordisk Film Distribusjon	376 (Viaplay)	732 (TV2 Play)	

Prominence in the home entertainment market

In general, Nordisk Film Distribusjon titles were on the iTunes front page longer than SF Studios titles, and SF Studios movies were on the front page longer than those from other distributors. Only titles from SF Studios and Nordisk Film Distribusjon remained on the iTunes front page longer than they played in cinemas.

This is most evident when looking at the children's titles. Nordisk Film Distribusjons' *Askeladden i Soria Moria Slott* and *Kaptein Sabeltann og den magiske diamant* not only stayed on the iTunes front page for more than a year after release, but both were visible in the Top Pre-Releases section for two months before release. SF Studios' *Operasjon Mumie* did not have the same prerelease visibility, but stayed on the iTunes front page for a year.

Of the two children's movies released by other distributors, only *Brillebjørn på ferie* made the iTunes front page and only for five weeks. In cinemas, however, *Brillebjørn på ferie* played for 32 weeks, *Operasjon Mumie* for 27 weeks, *Askeladden - I Soria Moria slott* for 36 weeks and *Kaptein Sabeltann og Den magiske diamant* for 49 weeks. *Villmarksbarna - En eventyrlig reise* had the shortest cinema run of all titles yet stayed in the Top 200 for four weeks, as long as *Brillebjørn på ferie*, despite *Villmarksbarna - En eventyrlig reise* not reaching the front page.

However, the persistent top performance of SF Studios and Nordisk Film Distribusjons' titles did not extend to the company's artistic path titles. *Disco* and *Barn* remained on front pages longer than SF Studio's *Håp*, despite the artistic title's higher admissions. *Ut og stjæle hester* stayed on the iTunes front page slightly longer and also had significantly higher admissions. *Spionen* was the only artistic path title to stay longer on iTunes than in cinemas.

The home entertainment performance of SF Studios and Nordisk Film Distribusjon's local 2019 titles is further discussed in chapter 5, as is the performance of *Barn*.

Table 33: Weeks in cinemas and weeks on iTunes front page for Norwegian 2019 releases

Title	Distributor	Weeks in cinemas	Weeks on iTunes front page	Weeks in iTunes Top 200 Chart
Amundsen	SF Studios	29	11	16
Ut og stjæle hester	Nordisk Film Distribusjon	28	13	12
Askeladden - I Soria Moria slott	Nordisk Film Distribusjon	36	60	39
Kaptein Sabeltann og Den magiske diamant	Nordisk Film Distribusjon	49	61	42
Swingers	SF Studios	11	14	16
Spionen	Nordisk Film Distribusjon	21	22	17
Operasjon Mumie	SF Studios	27	53	30
De dødes tjern	SF Studios	10	9	5
Snekker Andersen og Julenissen: Den vesle bygda som glømt at det var jul	Nordisk Film Distribusjon	15	22	9
Håp	SF Studios	26	6	5
Tunnelen	Nordisk Film Distribusjon	33	47	38
Born2Drive	Norsk Filmdistribusjon	18	1	7
Hjelperyttereren	Norsk Filmdistribusjon	8	0	0
Barn	Arthaus	29	12	10
Astrup - Flammen over Jølster	Norsk Filmdistribusjon	25	0	0
Villmarksbarna - En eventyrlig reise	Storytelling	21	0	4
Disco	Mer	25	8	13
Brillebjørn på ferie	Selmer	32	5	4
Benjamin Falck og dødsdolken	Star Media Entertainment	0	2	1

As Table 35 shows, SF Studios and Nordisk Film Distribusjon's catalogue titles clock impressions far above those of other distributors. There are likely several reasons for this. Among these, Nordisk Film Distribusjon's deals with TV2 and Viaplay boosted the prominence of their titles, as did Euforia's deal with Get/Teliplay.

The effect of using price to achieve prominence is evident with *Pornopung* (*Crack, Back & Sack*, Kaos 2013), which represents half of Norsk Filmdistribusjon's

impressions on iTunes, also demonstrates the impact of using price to achieve ranking prominence. *Pornopung* rental is consistently priced at NOK 9 and the movie regularly shows up in the 9 KR Rental section on iTunes. However, as the only Norsk Film distribusjon title with this pricing strategy, it seems likely the decision was made by its producers, not distributors.

Table 34: Corporate structure of Norwegian distributors

Distributor	Location	Parent Company/Major Stockholder	Parent Company Type	Selected integrations
United International Pictures	Oslo	Universal & Paramount	Hollywood Majors	Paramount+ is available in Norway, and the service will be relaunched as SkyShowtime and include NBCUniversal. Neither has any other Norwegian presence.
Twentieth Century Fox Norway	Oslo	The Walt Disney Company	Hollywood Major	Run as a local office owned by Twentieth Century Fox until 2020.
The Walt Disney Company Nordic	Oslo	The Walt Disney Company	Hollywood Major	The Norwegian office is registered as a local branch of a foreign company. Disney has no other company level presence in Norway, but Disney+ and several Disney channels are available.
Nordisk Film Distribusjon	Oslo	Egmont	Danish Publishing Conglomerate	Production companies: Maipo, Friland, Nordisk Film Production. Cinemas: The Nordisk Film Kino chain and Drammen Kino, ticket sales portal Filmweb and cinema advertising company Media Direct Norge. Television: TV2 with several production companies and TV distributor RiksTV. Publishing: Cappelen Damm, Story House, Egmont Kids. Similar structure in Denmark and Sweden, which includes international sales agent Trust Nordisk.
SF Studios	Oslo	Bonnier	Swedish Publishing Conglomerate	Production companies: Filmkameratene, Paradox, Motion Blur. SF Studios has similar structures in Sweden and Finland and Bonnier is a major publisher in Sweden.
Sandrew Metronome	Oslo	Schibsted	Norwegian Media Conglomerate	When Schibsted owned Norsk Filmdistribusjon it operated as Sandrew Metronome and included cinema ownership in Sweden and Finland. Sandrew Metronome remains active in Denmark and in the Norwegian home entertainment market.
Norsk Filmdistribusjon	Oslo	SHOLDING	Norwegian cultural industries holding company	SHOLDING also owns VOD-portal Nett kino and cultural industries promotion agency Kulturme glerene.

Distributor	Location	Parent Company/Major Stockholder	Parent Company Type	Selected integrations
Scanbox	Oslo	Scanbox	Danish film distribution company	No longer active in the Norwegian cinema market, but remains in the home entertainment market
Euforia	Oslo	Storm Group AS	Norwegian property developer	Storm Group also owns the production company Storm Films AS and Storm Studios AS
Arthaus	Oslo	None	Norwegian non-profit foundation	Co-owner in and co-located with arthouse cinema and theatre Vega Scene.
Mer Filmdistribusjon	Oslo	Mer Film	Norwegian production company	Mer Film is a production company. While Mer Film is located in Bergen and Tromsø, Mer Filmdistribusjon is located in Oslo
Another World Entertainment	Oslo	VME	Norwegian Record company	Has a Danish sister company, Another World Entertainment Denmark, founded by VME
Storytelling Media	Trondheim	Trondheim Municipality	Norwegian Municipality	Storytelling is owned Trondheim Kino, a municipally owned cinema.
Europafilm	Oslo	Evil Doghouse Studios	Norwegian production company	Evil Doghouse also runs several small production offices.
Tour de Force	Bergen	None		
Fidalgo Filmdistribusjon	Kristiansand	None		
Bollywood - Green Chili	Oslo	None		
KontxtFilm	Oslo	None		
Selmer Media	Oslo	None		

Figure 8: Average yearly admissions for foreign titles

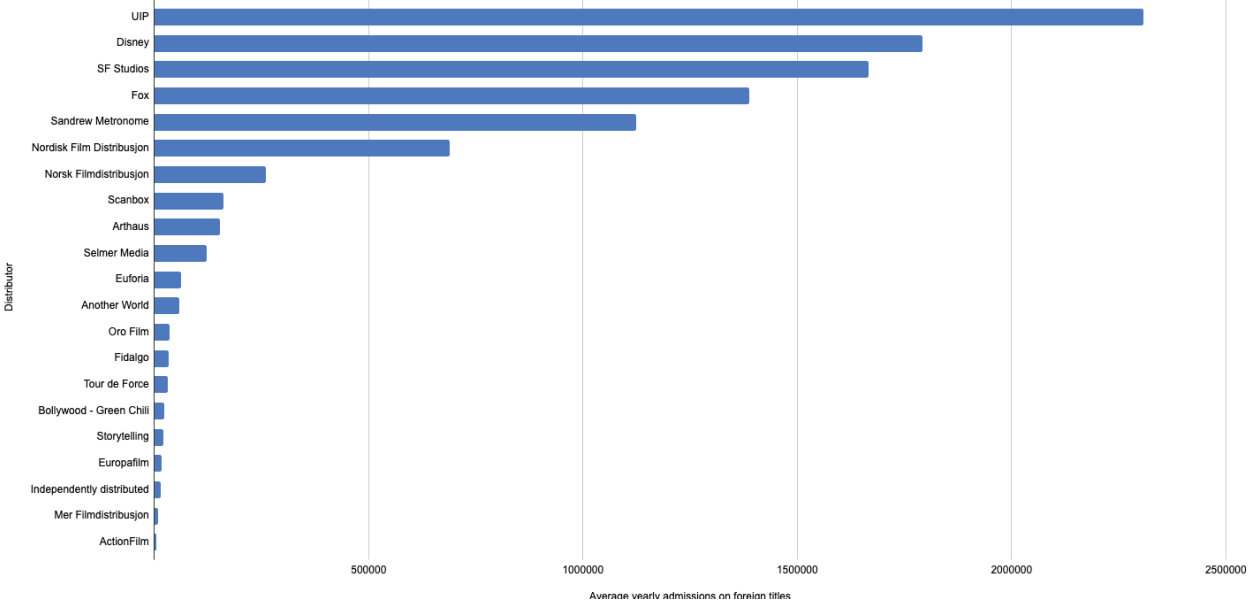


Figure 9: Number of local movies released 2011 – 2015 by path

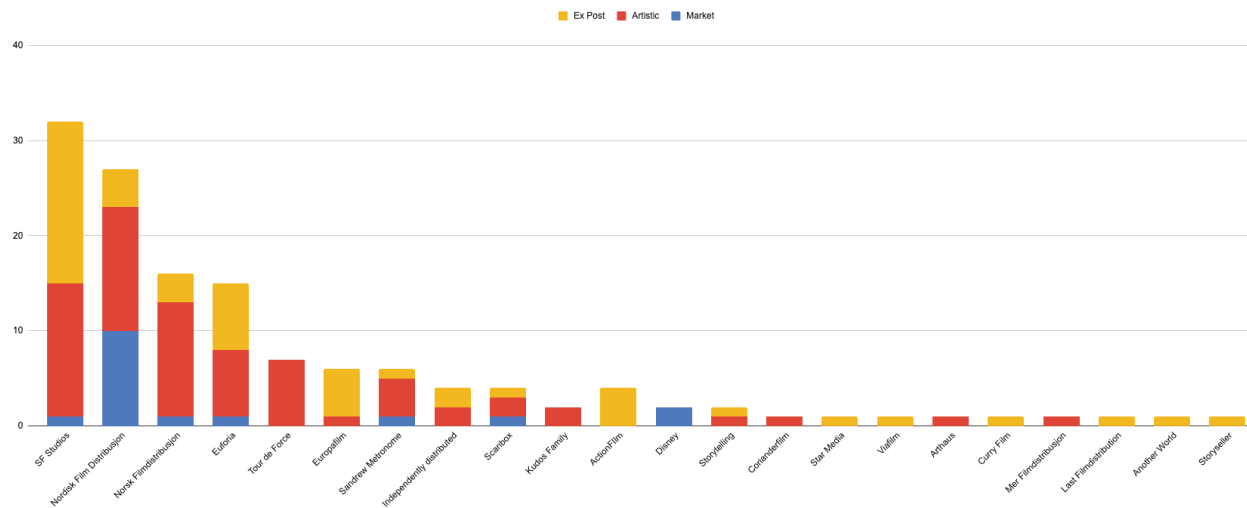


Figure 10: Number of average yearly releases

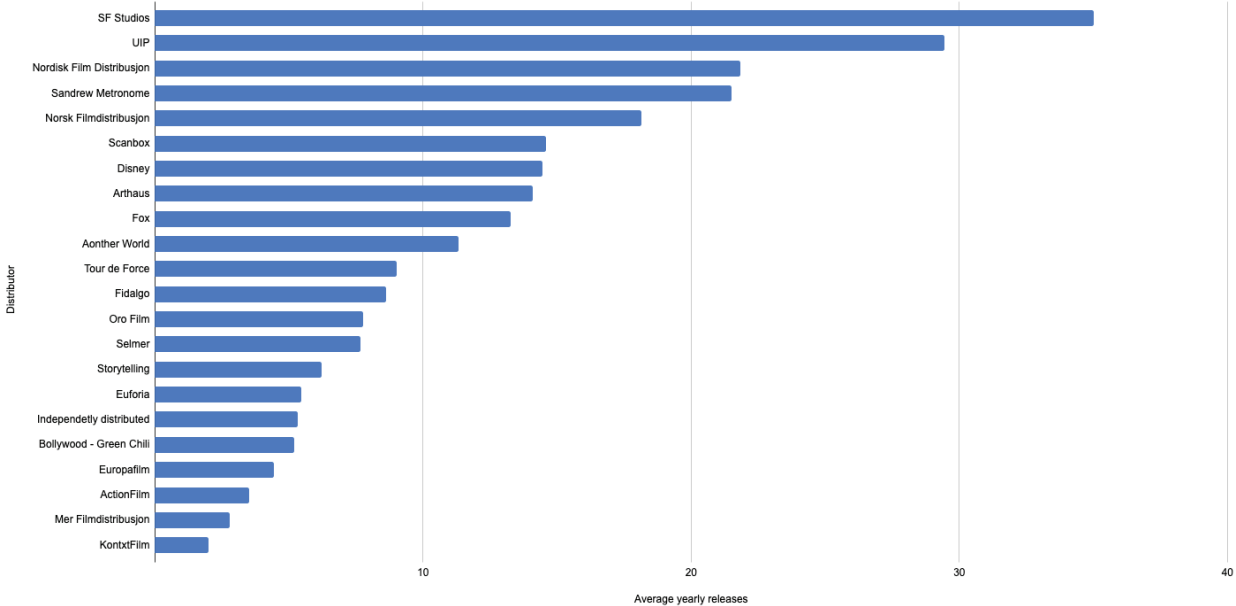
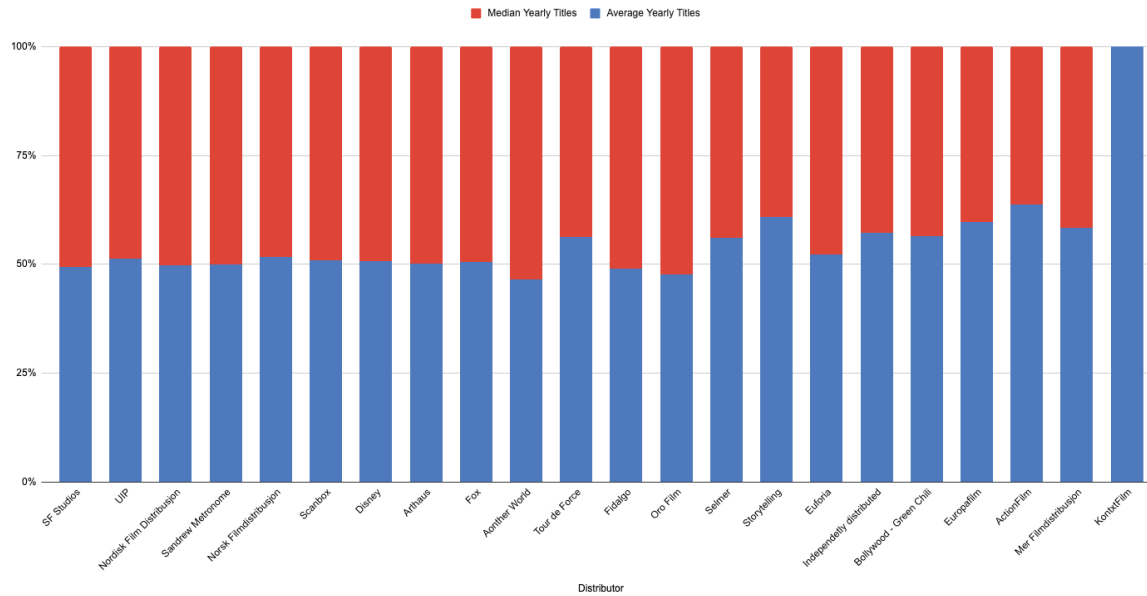


Figure 11: Number of average yearly releases vs. median yearly releases⁹⁰



⁹⁰ This figure contains calculation errors discovered by the author after thesis submission.

Figure 12: Share of admissions from local movies

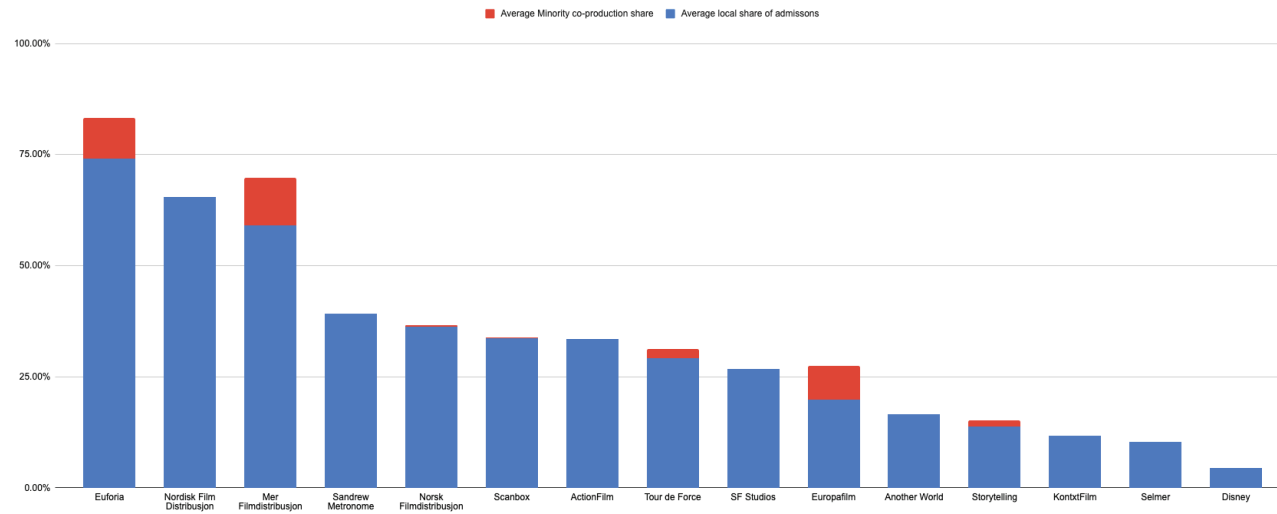


Figure 13: Number of local titles with screenplays based on known sources or original stories

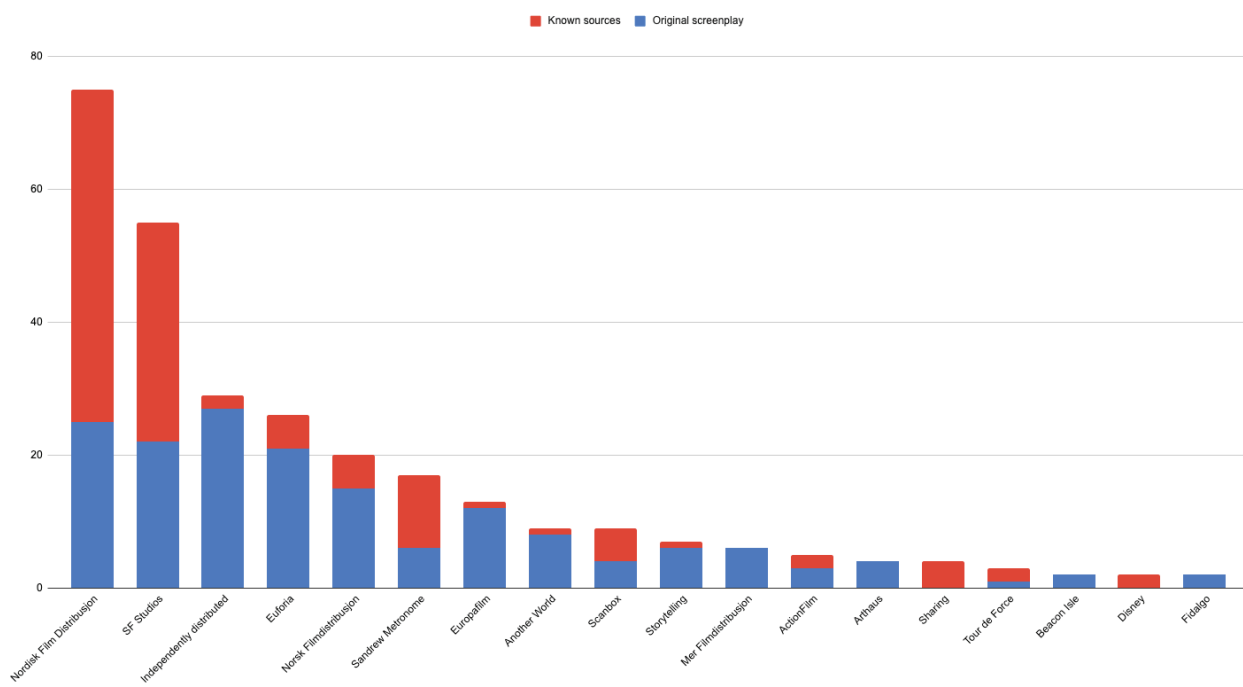


Figure 14: Share of admissions from local titles with screenplays based known sources or original stories

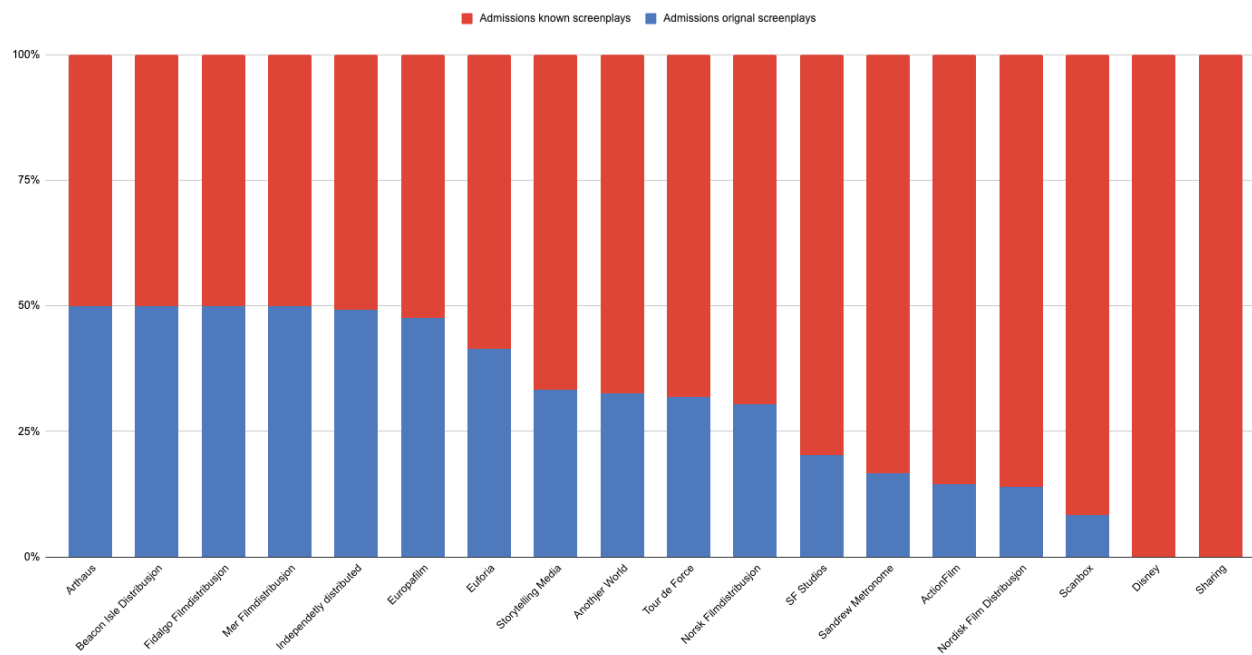


Figure 17: Share of titles by country of origin

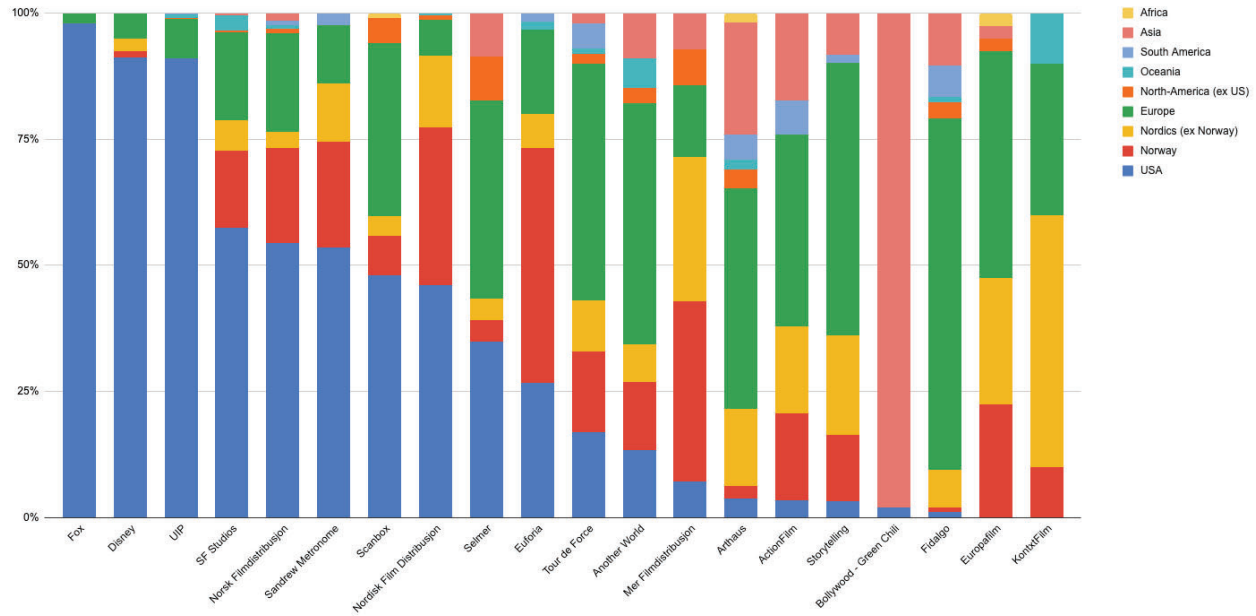
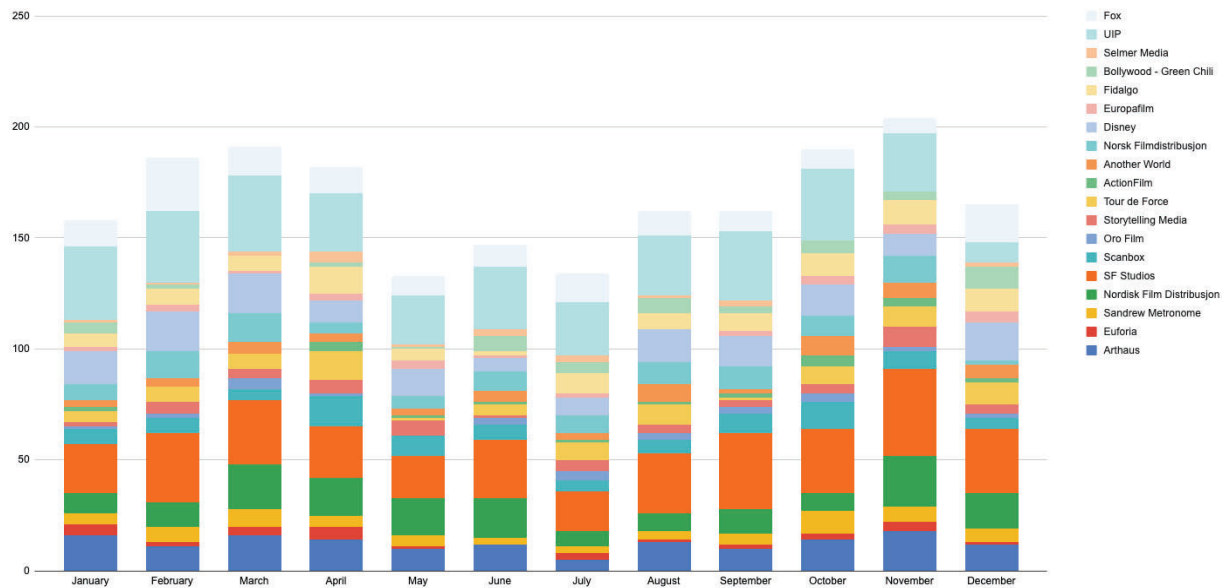


Figure 18: Total foreign releases by month from 2008 - 2018⁹¹



⁹¹ Only from distributors with 10 or more releases.

Figure 19: Total Norwegian released by month from 2008 - 2018

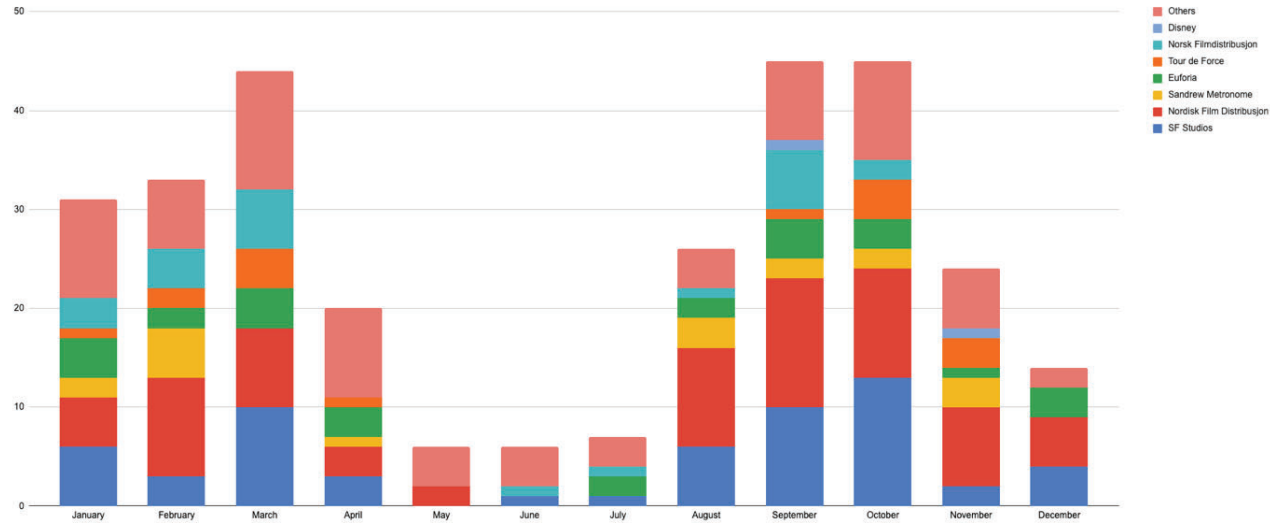


Figure 20: Distributor share of Norwegian releases by month

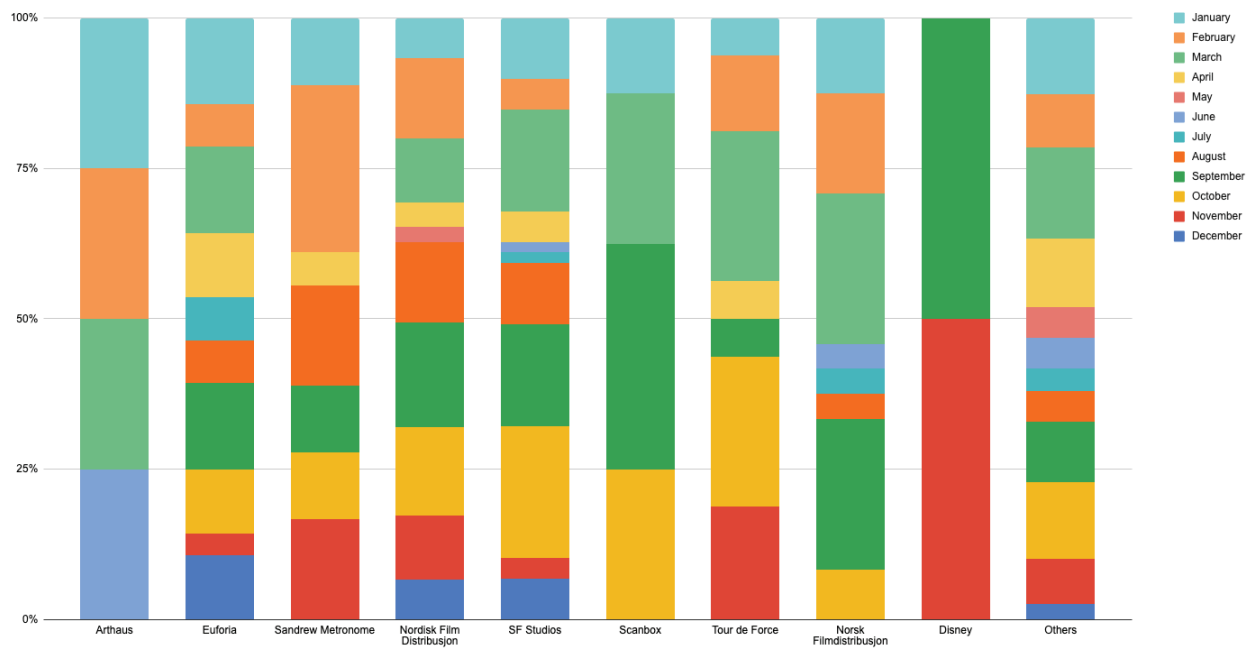
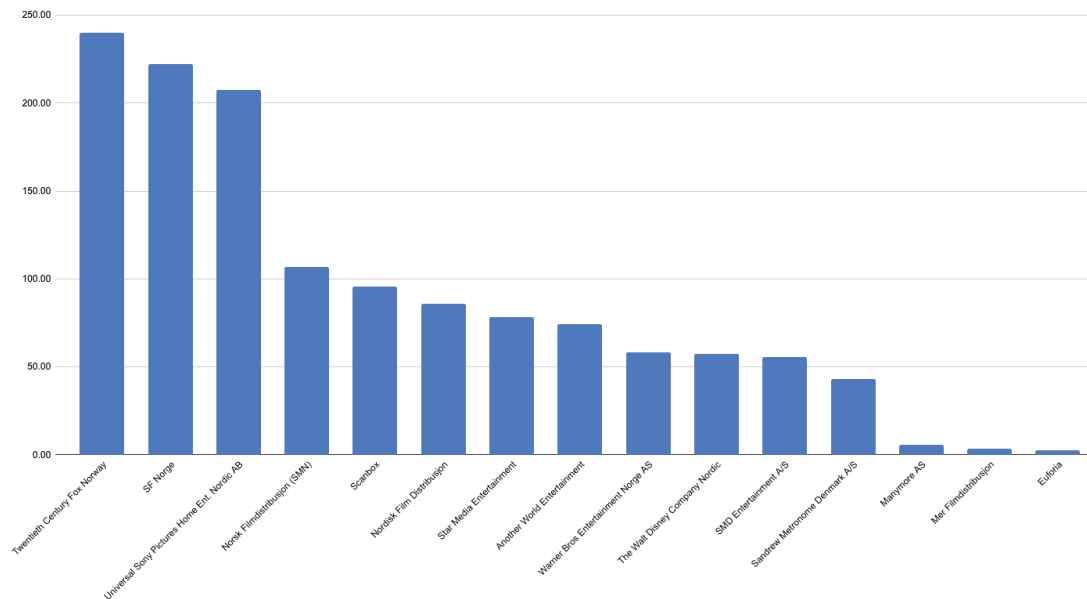


Figure 21: Average number of home entertainment releases 2008 – 2018⁹²



⁹² This average is based on a period with a huge drop in home entertainment titles.

Figure 22: Share of releases in cinema vs. home entertainment

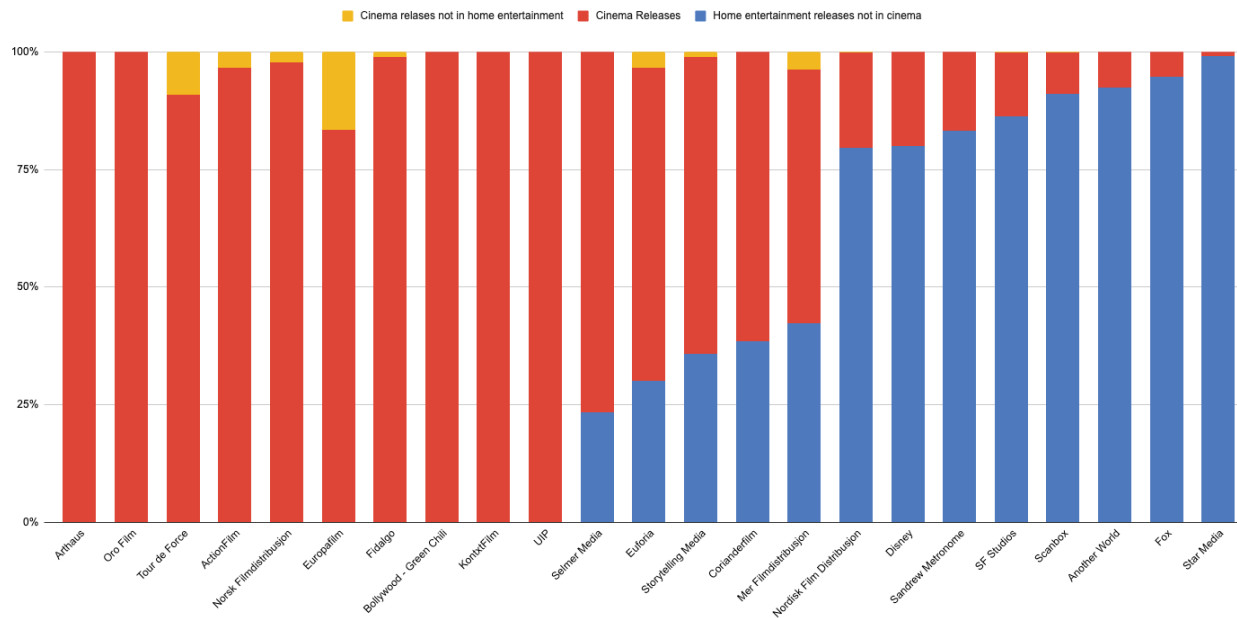


Figure 23: Average conversion rate of top selling DVDs

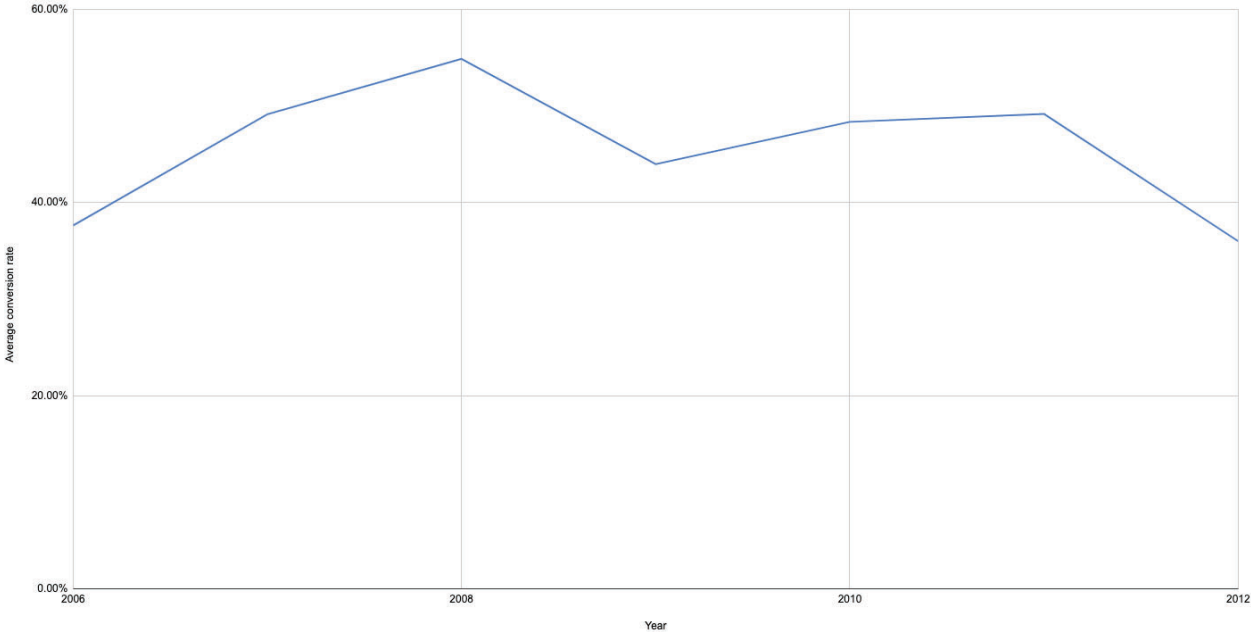
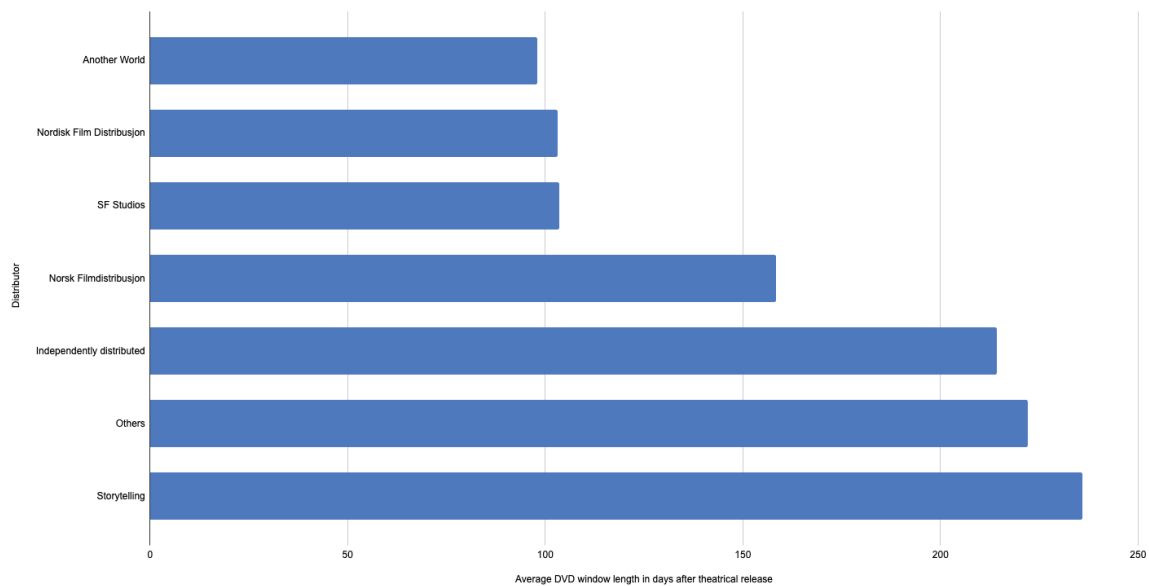
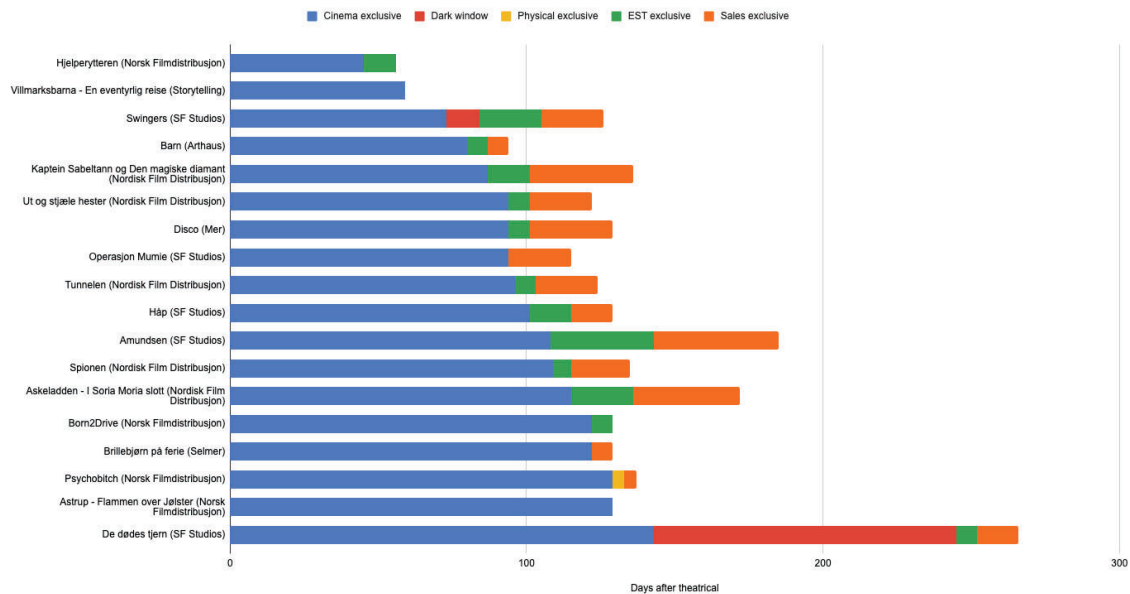


Figure 24.: Average DVD window length, Norwegian 2008-2018 titles⁹³



⁹³ While the source material includes titles from the entire period, most releases examined are from 2015-2018. Christmas movies have been excluded. The category "Others" include all companies that released less than four titles. Mer Film Distribusjon is not included in the graph, for reasons discussed in the text.

Figure 25: Window lengths of Norwegian 2019 titles⁹⁴



⁹⁴ The christmas movie *Snekker Andersen og Julenissen: Bøgda som glemte det var jul* is excluded.

Figure 26: Share of admissions in and after cinematic window

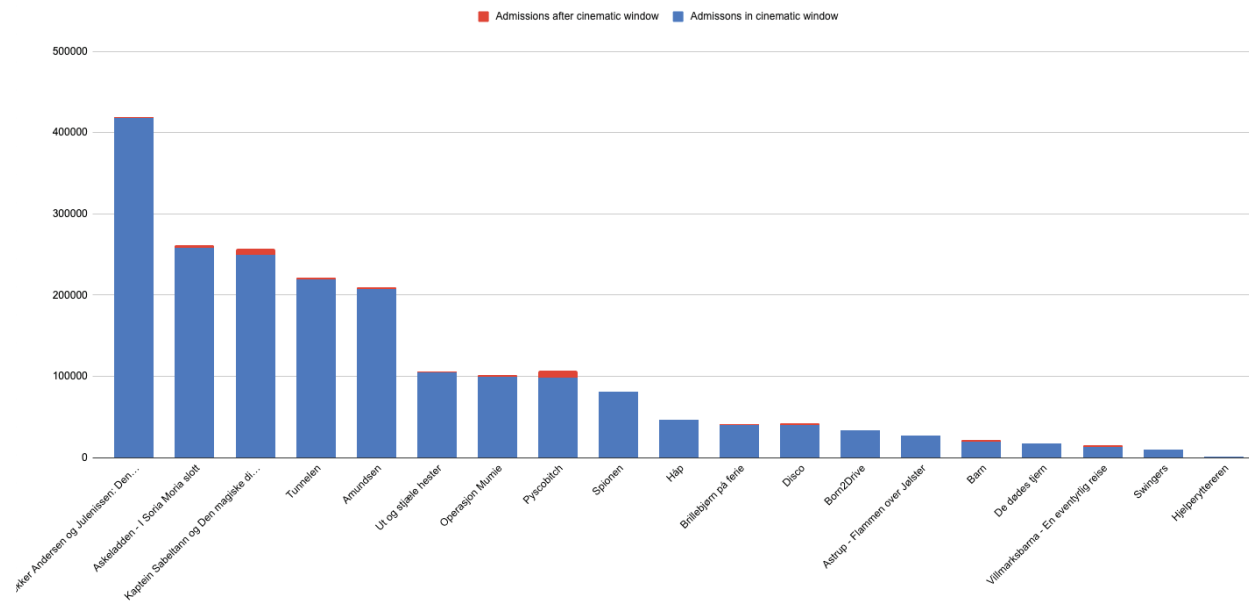
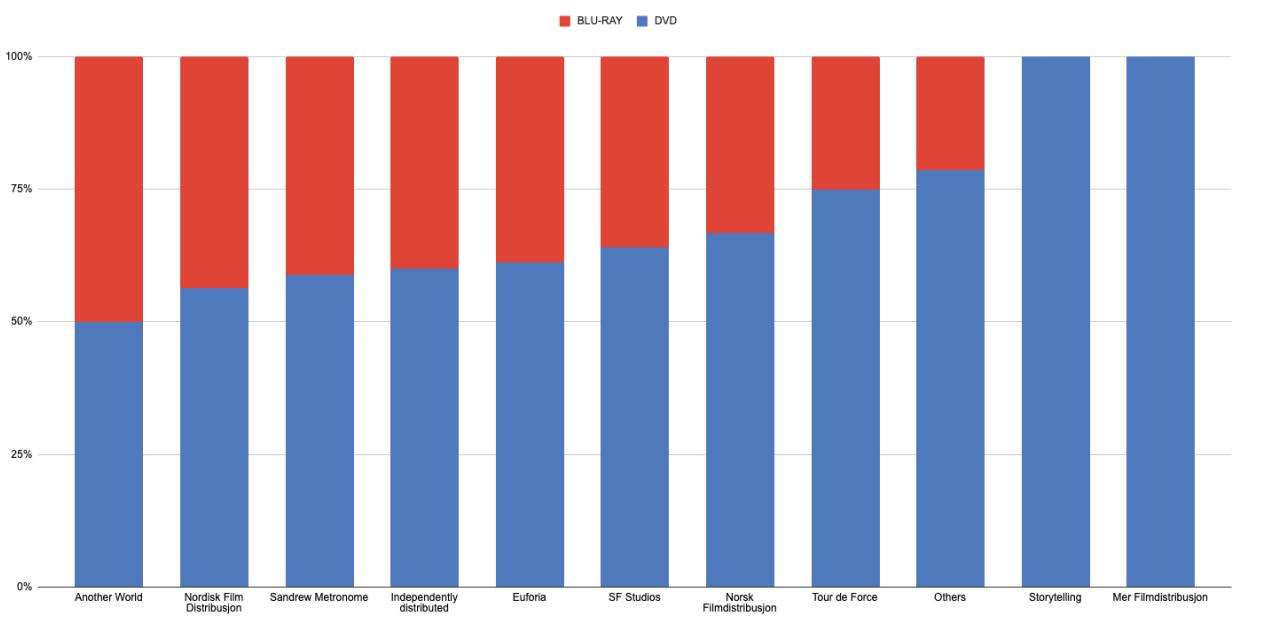


Figure 27: Share of local releases on DVD and Blu-ray, 2008 - 2018⁹⁵



⁹⁵ Most releases in database from 2015 and later

Figure 28: Number of titles in streaming services

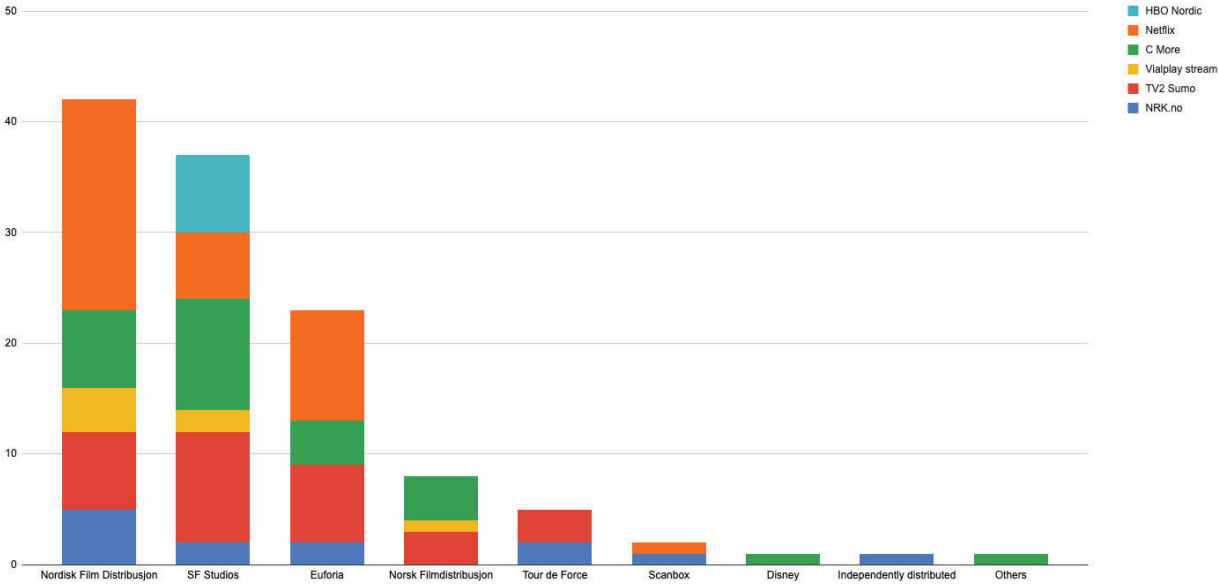


Figure 29: Share of titles in streaming services

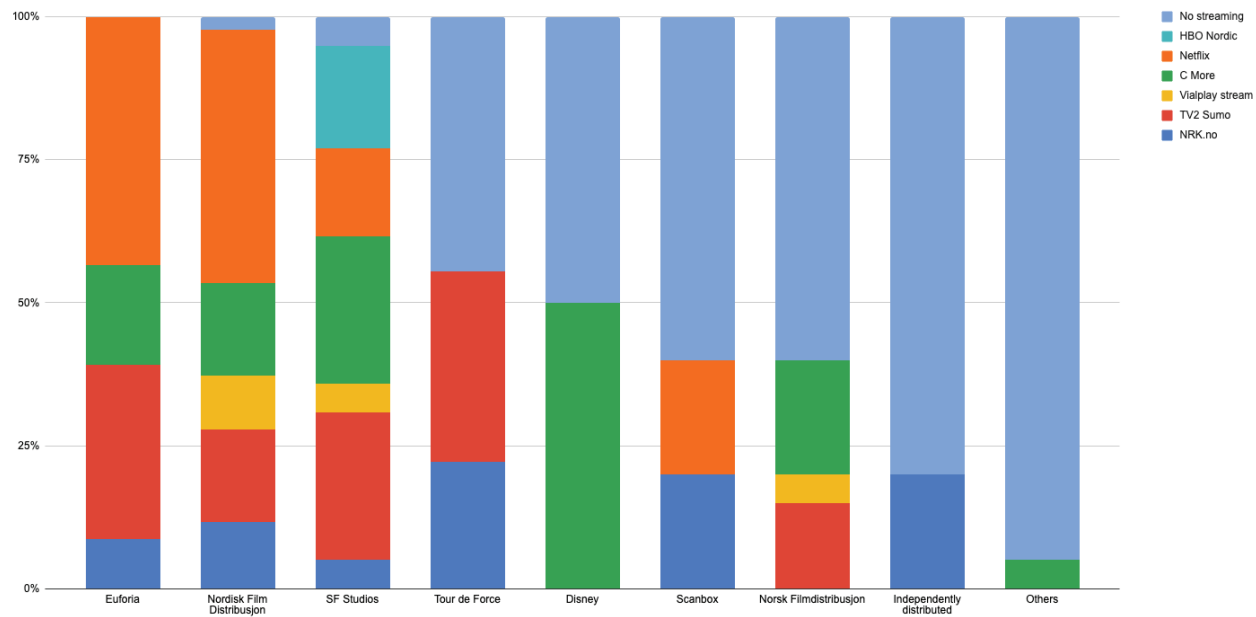


Table 35: Prominence of catalogue titles⁹⁶

Distributor	No. Norwegian movies	iTunes	Altibox	Get/Teliaplay	Google Play	Blockbuster	Viaplay Store	TV2	Viaplay	Total
SF Studios	59	1,03	3,10	2,58	1,31	0,00	9,17	5,25	0,44	22,88
Nordisk Film Distribusjon	75	0,95	1,31	5,88	1,39	0,00	5,48	12,59	4,35	31,93
Euforia	27	0,04	0,00	11,30	0,07	0,00	0,00	0,15	0,00	11,56
Norsk Filmdistribusjon	42	1,19	0,00	0,19	0,21	0,02	0,00	0,90	0,00	2,52
Independent distribution	25	0,00	0,00	0,32	0,32	0,00	0,64	0,00	0,00	1,28
ActionFilm	5	0,60	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,60
Sharing	4	0,00	0,00	0,00	0,00	0,00	1,25	2,50	0,00	3,75
The Walt Disney Company Nordic	2	0,00	0,00	0,00	0,00	0,00	0,00	4,50	0,00	4,50
Storytelling Media	8	0,00	0,00	0,25	0,13	0,00	0,00	0,00	0,00	0,38
Another World Entertainment	10	0,00	0,00	0,10	0,00	0,00	0,00	2,90	0,00	3,00
KontxtFilm	1	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Arthaus	3	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Tour de Force	16	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Beacon Isle Distribusjon	2	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Europafilm	9	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Mer Filmdistribusjon	5	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Scanbox	8	0,00	0,25	0,00	0,00	0,00	1,25	1,63	3,38	6,50
Selmer Media	1	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Tour de Force	16									

⁹⁶ Number of observations in 2020 divided by number of Norwegian movies in cinemas 2008-2018

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