

European Cinema in the Digital Age

Streaming Platforms as the Disruptive Innovation to the 21st Century EU Film Industry

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ABSTRACT

This study delves into the profound impact of movie streaming platforms on the European Union (EU) film industry, examining their role as disruptive innovations and their potential to reshape the established film value chain. By investigating the consequences of these disruptions and changes, the research aims to uncover the responses and adaptations developed within the industry. Drawing upon a comprehensive analysis of data and literature, this study explores the intricate dynamics between movie streaming platforms and the EU film industry, providing insights into the transformative shifts that have taken place. Through a multifaceted approach, encompassing market trends, technological advancements, and regulatory considerations, this research offers a nuanced understanding of how movie streaming platforms have impacted the EU film landscape. By shedding light on the implications of these disruptions, this study contributes to a broader discourse on the state of the EU film industry in an era of digital transformation.

KEYWORDS: *Streaming Platforms, European Union, Cinema, Disruptive Innovation, Film Industry, Value Chain*

**This research is dedicated to all cinema lovers
who believe in the magic power of storytelling**

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Abstract and keywords

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Chapter 1.

1.1. Introduction

Today's audience may choose how to interact with the environment and one another. Significant changes have been made in consumption habits. The entertainment industry has seen a noticeable effect from this tendency. Children now play differently than they did decades ago, as have teenagers' musical tastes and adults' viewing habits of television and motion pictures. Although it has long been believed that the sector is growing swiftly, the scale and significance are still quite astounding. It should come as no surprise that this quantum leap is related to technological development.

The development of technology also made it possible for viewers to see movies outside of theatres, on TV, and on DVDs, by downloading applications or bookmarking streaming websites that gave rise to new trends in the movie industry. Websites and smartphone applications are platforms for streaming movies and TV shows online. Many people now prefer to view their favorite content on these platforms, which have become more popular in recent years, rather than going to a traditional movie theatre or purchasing physical media.

The movie streaming services has changed the media market's long-standing trends and showed tremendous outcomes in a short amount of time. The global leader in streaming out overtook both cable and satellite TV in 2022. After breaking all previous records for viewership for four straight months, streaming in the U.S. won the majority of the market in July 2022. This is the first-time cable material has been exceeded by streaming video in terms of audience size, which has previously happened with broadcast content. From June, the overall volume of streaming grew by 3.2%. The amount of streaming increased by 22.6% annually. July saw growth for Prime Video, Hulu, Netflix, and YouTube.¹

¹ "Streaming Claims Largest Piece of TV Viewing Pie in July", *Nielsen*, August, 2022, accessed 17 December 2022, <https://www.nielsen.com/insights/2022/streaming-claims-largest-piece-of-tv-viewing-pie-in-july/>.

These numbers provide more evidence of the expanding significance of streaming services not only in Television and Cable broadcasting but in the movie industry as well. For example, *Stranger Things*, which accounts for an increased number of Netflix subscribers has been commissioned and produced by this multinational itself. All of the streaming services, including Netflix, typically create their own content in addition to acting as a platform for already well-established production firms or independent filmmakers. By promoting their own original content, streaming services act as both distributors and marketing and advertising services.²

Marc Randolph, one of the co-founders, offered his thoughts on the company's incredible history in a recent LinkedIn post honoring the 25th anniversary of Netflix's debut. He vividly recalled how Netflix got its start with simply a small group of twelve people crammed into a small office space, complete with worn-out green carpeting. On the other hand, Netflix has grown dramatically over time and today employs over 10,000 people. Notably, the business has successfully captivated viewers around the world by expanding its reach to almost every nation on the planet. Randolph also addresses the unintended consequences of a well-known cultural phenomenon connected to Netflix. In today's slang, the expression "Netflix and Chill" denotes a carefree and informal way to consume Netflix content. He freely confesses that he had no idea that this particular catchphrase would become so well-known and deeply ingrained in culture.³

Along with having an impact on slang and popular culture, the emergence of streaming services, led by Netflix, has had a big impact on the conventional movie industry, especially in terms of content creation and distribution. Due to the direct rivalry these platforms now face from well-known studios, the dynamics of recognized film festivals are changing, for example. Since streaming services upend established conventions and threaten the current industry hierarchy, policy-making has been adjusted to reflect this transition and the

² "Streaming Claims Largest Piece of TV Viewing Pie in July", *Nielsen*, August, 2022, accessed 17 December 2022, <https://www.nielsen.com/insights/2022/streaming-claims-largest-piece-of-tv-viewing-pie-in-july/>.

³ 'Post | LinkedIn', accessed 10 June 2023, https://www.linkedin.com/posts/marcrandolph_exactly-25-years-ago-today-on-april-14th-activity-7052671323906457600-yC1J/?utm_source=share&utm_medium=member_desktop.

transformational moment it has sparked. The introduction of Netflix as a fresh method of distributing movies has the potential to upend long-standing systems, including those used by theatres and distributors. This disruption has an effect as globally as on European film creators and the rich diversity of European cinema.

In order to maintain control over the material and ensure local laws are being followed, the expansion of streaming platforms has spurred the implementation of national and regional restrictions. There has been a drive to enact restrictions to safeguard regional economies, cultures, and values because streaming services frequently operate on a worldwide scale, like Netflix, Disney+ and so on. International streaming providers may encounter difficulties as a result of these rules and may need to modify their content to adhere to particular regional standards. Laws pertaining to cinema have changed as a result of the growth of streaming services in order to keep up with the times. Governments and regulatory organizations have been forced to review current laws in order to take into consideration streaming services, their content, and how they affect conventional movie theatres.⁴ Furthermore, the ease of use and accessibility of streaming services have put the conventional movie-going experience under scrutiny, sparking concerns about the future of film exhibition and the potential need for theatres to adapt in order to draw crowds.⁵

Famous directors have also contrasting opinions on whether streaming is affecting the movie theatre business. Spanish director Pedro Almodovar sees streaming as a direct competitor to movie theaters and has stated his commitment to giving audiences an immersive experience on a big screen. Spike Lee, an American director, on the other hand, remembers earlier worries about the impact of television on movies to remind us that the worry of cinema being replaced is nothing new. Lee thinks that streaming services and movies can coexist together.⁶ These opposing viewpoints underscore the ongoing discussion concerning the

⁴ Patrick Frater Yossman Nick Vivarelli, Elsa Keslassy, Naman Ramachandran, K J. et al., 'Damming the Stream: Global Governments Try to Set Boundaries for Streaming Giants. Will They Work?', *Variety* (blog), 1 July 2021, <https://variety.com/2021/global/global/netflix-europe-avms-regulation-streamers-1235009148/>.

⁵ "Will Movie Theaters Ever Make a Full Comeback in the Age of Streaming?", *Android Authority*, September 14, 2022, <https://www.androidauthority.com/movie-theaters-vs-streaming-services-3093835/>.

⁶ Scott Mendelson, "Movie Theaters Are Being Starved To Death", *Forbes*, accessed 19 December 2022,

impact of streaming services on the film business and the coexistence of various watching platforms.

As a result of the advent of multinational streaming platforms, which are primarily founded in the United States, there is also the perception that U.S. supremacy in the worldwide film business can be a danger. Discussions about cultural imperialism and potential content homogenization have been sparked by this dominance in Europe too. A domination of American stories, values, and viewpoints in the global media landscape, according to critics, may result from the popularity of U.S.-based streaming services.⁷ They voice worries about the blending of local and regional cultures and the potential deterioration of various storytelling customs from different nations. However, according to Netflix's founder and executive chairman Reed Hastings, the company's campaign for European original content has made it the "biggest builder of cross-European culture." He emphasized how unexpectedly popular shows and movies from one nation may be with viewers in another, such as when Germans or Italians watch Spanish programs. Hastings ascribed this success to Netflix's emphasis on bridging linguistic divides, as opposed to other networks that frequently focus on a single language group as national networks.⁸

The speech by Reed Hastings was delivered during a big occasion that acted as a showcase for Netflix's presence in Europe, the Middle East, and Africa (EMEA). Influential individuals, including politicians, journalists, and decision-makers from Europe, attended the event. With 76.7 million customers, the area eclipsed the US and Canada as Netflix's largest market in 2022, making the timing ideal. This transfer in power highlighted the streaming platform's growing importance in the EMEA area and cemented its status as a major player

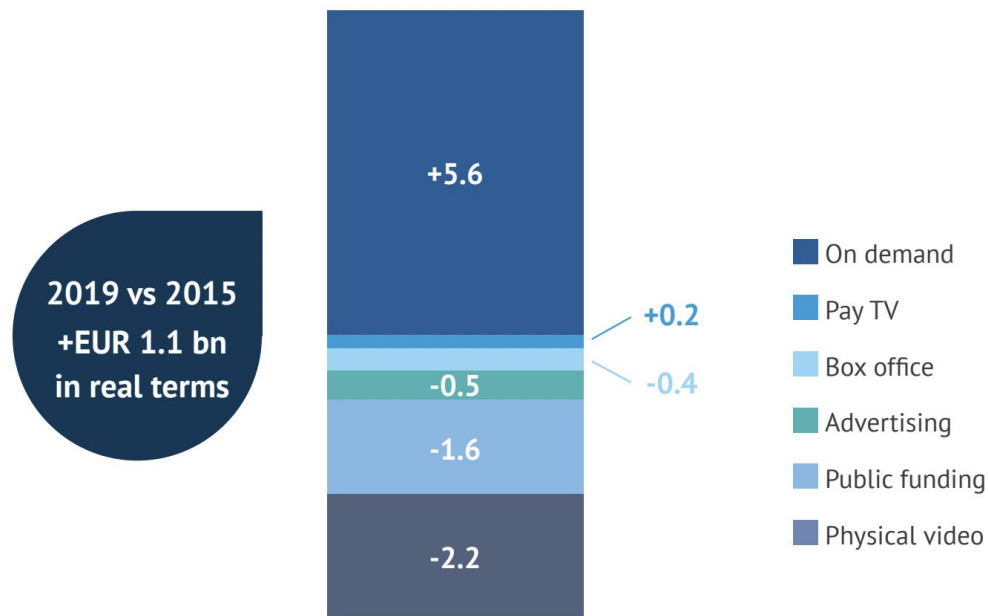
<https://www.forbes.com/sites/scottmendelson/2022/08/22/movie-theaters-are-being-starved-to-death/>.

⁷ "Netflix and Its Cultural and Economic Hegemony", *Khaleejessque*, June 20, 2021, <https://khaleejessque.me/2021/06/20/netflix-and-its-cultural-and-economic-hegemony-2/>.

⁸ Jesse Whittock, "Reed Hastings Says Netflix Is "Biggest Builder Of Cross-European Culture", *Deadline*, March 6, 2023, <https://deadline.com/2023/03/reed-hastings-netflix-is-biggest-builder-of-cross-european-culture-1235280339/>.

in the global entertainment market.⁹

Evolution of the EU28 audiovisual sector (2015-2019 – bn EUR in real terms)



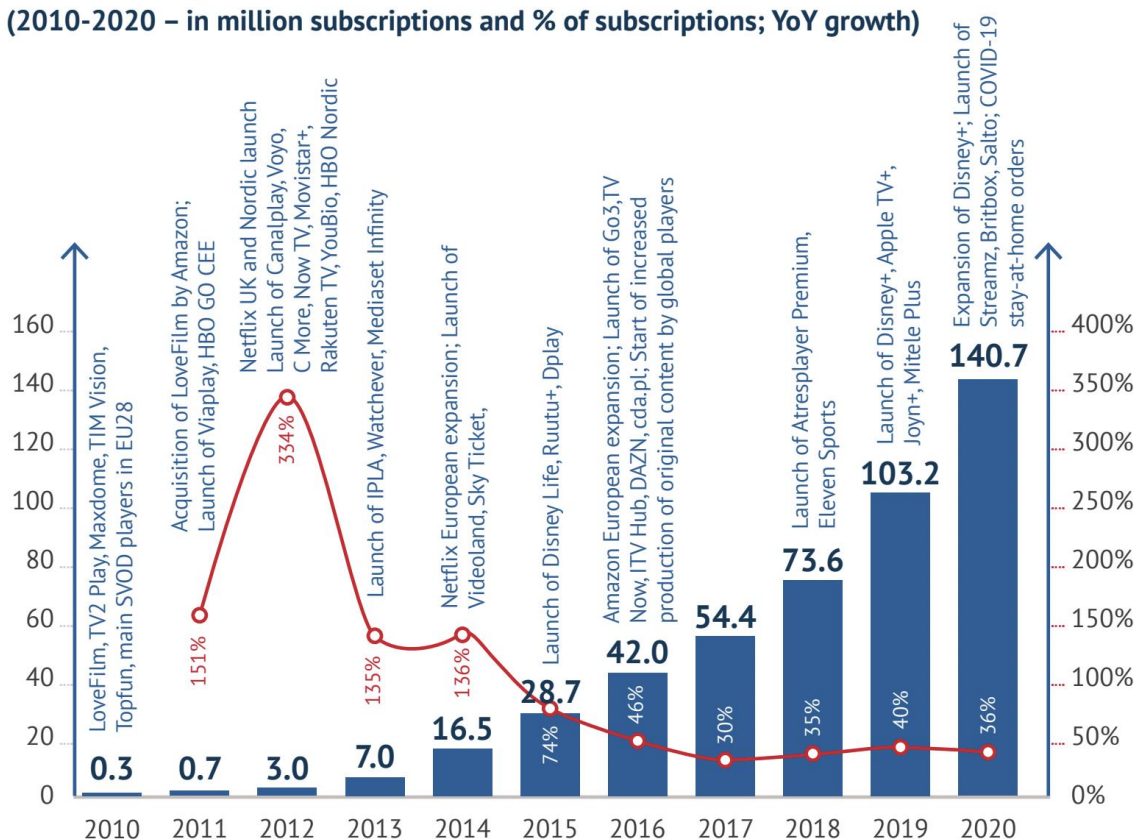
Source: European Audiovisual Observatory analysis of EBU/MIS, Warc, Ampere, LUMIERE data

Chart 1. The growth of the EU audiovisual sector and its contributors in shares

Video on demand (VOD) has emerged as the main engine of growth in the audiovisual sector from 2015 to 2019, according to the European Audiovisual Observatory's yearbook, which gives an overview of the television, movie, and on-demand audiovisual services industries. VOD services have seen a substantial increase in popularity over the past ten years within the European Union, which has helped the audiovisual industry as a whole grow. This demonstrates the rising demand for on-demand material and the audiences' shifting preferences towards digital platforms for audiovisual content consumption. The information illustrates VOD's profound influence on the European audiovisual scene and sheds insight on its critical contribution to the industry's current growth trajectory.

⁹ Whittock, "Cross-European culture"

EU28 subscriptions to OTT SVOD (2010-2020 – in million subscriptions and % of subscriptions; YoY growth)



Source: Ampere Analysis

Not all SVOD services have been taken into account, only a selection, to show the most impactful

Chart 3.

Netflix's sizable subscriber base in the EMEA region and VOD's steady growth in the European Union serve as an example of the exponential rise of streaming services, which has had a significant impact on the European film industry. A change in how domestic films are financed has resulted from the disruption caused by the rise of streaming. In order to address the problems that streaming platforms are posing, regulatory limits have also been put in place. The production environment has also changed as a result of content providers adjusting to the shifting dynamics of streaming platforms. Concerns have also been expressed regarding the predominance of American programming, how it affects the cultural diversity of Europe, and the long-term viability of traditional movie theaters. To accommodate the tastes and routines of streaming viewers, considerable adjustments have been made to the creation, distribution and exhibition of material. These continual changes demonstrate how fluid the film industry is as it continues to change in reaction to streaming services' growing influence and appeal.

1.2. The Research Question:

A huge paradigm shift in the film distribution environment has been sparked by the rise of worldwide streaming services, which has put established channels like theaters, distributors, and film festivals under pressure. Concerns regarding the diversity of European cinema are also raised as a result of this disruption, which has broad repercussions for European film producers. This study intends to perform a thorough investigation into the effect of global streaming services on the European film market.

This study's main research question focuses on how movie streaming services affect the European film industry in the digital era. In order to answer this major inquiry, the following sub-questions have been developed:

- How has streaming impacted the filmmaking process from development to distribution and exhibition and what are the implications for industry stakeholders?

The first sub-question examines how streaming has affected several aspects of the production process, including as development, distribution, and presentation. In order to comprehend the ramifications for various industry stakeholders, the study intends to assess the changes that streaming services have brought about in these domains. This can entail examining how the emergence of streaming services has affected financing patterns, production techniques, distribution plans, and exhibition formats. The study tries to provide light on how the filmmaking industry is changing and how that has an impact on producers, exhibitors, distributors, and other professionals in the field by examining these factors.

- Are streaming services regarded as a disruptive innovation to the European film industry?

In the second sub-question, we look at whether streaming services can be viewed as disruptive innovation to the European film market. The purpose of this study is to determine whether streaming platforms are perceived as posing a threat to and maybe transforming the established business models and organizational structures. The study aims to comprehend

how streaming services have changed long-standing norms and practices by investigating the attitudes and viewpoints of numerous industry stakeholders, including filmmakers, distributors, exhibitors, and audiences. This study can provide insight into the degree to which streaming services are viewed as disruptive forces in the European film market.

- In response to this disruption, what are the knock-on effects caused by the rise of the streaming platforms?

In response to the disruptive nature of their presence, the third sub-question focuses on the larger ramifications or knock-on effects brought about by the development and dominance of streaming platforms. The study intends to investigate any secondary effects or unintended consequences brought on by the development of streaming services. Changes in audience behavior, revenue streams, business models, and the competitive environment of the European film industry might all be included in this. The study aims to shed light on the broader ramifications and changes brought forth by streaming platforms by examining these ripple effects.

The purpose of the study is to determine if the existence of streaming platforms benefits or hurts the European film industry. It also seeks to identify the ripple impact these disruptions have on the rest of the industry. The research aims to provide light on how the market dynamics are altered and the ramifications for different stakeholders by analyzing the effects of streaming platforms' influence. In the end, the study intends to offer perceptions into the larger implications of this disruptive innovation on the European film business, including the potential advantages or disadvantages and the ensuing and knock on effects on various value chain components.

The research time frame was initially intended to span ten years, beginning with Netflix's 2012 European launch as it was the first multinational streaming platform with the first offices setting up shop in the United Kingdom (that was still part of the European Union back then) and Ireland. However, the research extends the chronology and focuses on development in the twenty-first century because streaming platforms, including Netflix was already available in the European Union before it was officially launched there. This expansion guarantees that the study delivers a comprehensive understanding of the impact of

streaming platforms on the local film industry, not just a narrow perspective.

This investigation primarily examines the European film market and how streaming services have affected it. Due to a number of factors, the study will, however, only include the European Union (EU). First and foremost, the study seeks to clarify issues with respect to borders and territories. Second, the European Union's Audiovisual Media Services Directive (AVMSD) establishes the legal framework for audiovisual media services, which includes streaming services. The study will be able to provide a thorough understanding of the effects of streaming services on the European film industry by strategically choosing to concentrate on the EU.¹⁰

Europe's film business is diverse, with each nation employing a different strategy for producing, distributing, and exhibiting movies. Even while it's critical to take note of these variations, the goal of this research is to paint a more comprehensive picture of how streaming services have affected the European film industry. This is due to the fact that streaming services are a recent phenomena that has impacted the regional traditional film business.

The study will depend on empirical data and interviews with specialists from the sector from several European countries to accomplish this purpose. By using a multi-country strategy, the study attempts to offer a thorough knowledge of the ways in which streaming services have impacted the European film business. With this strategy, it will be possible to spot widespread trends and patterns that have developed in reaction to the proliferation of streaming services while simultaneously accounting for any particular regional variations.

The multi-country methodology used in this study is essential for developing a thorough knowledge of how streaming services affect the European film industry. The study can shed

¹⁰ "Audiovisual and Media Services | Shaping Europe's Digital Future", 15 July 2022, <https://digital-strategy.ec.europa.eu/en/policies/audiovisual-and-media-services>.

light on how the movie business has reacted to the emergence of streaming services as well as the potential and problems brought on by this new distribution model by taking into account the experiences of various nations.

Our understanding of how streaming services affect the European film business will likely be greatly improved by the study's findings. The study attempts to offer insights into how the industry has reacted to the introduction of streaming services and adjusted to new customer needs by examining the experiences of several European states. In the end, the research aims to advance knowledge of the continuous transformation of the film business and the opportunities and difficulties brought about by the emergence of streaming services.

1.3. Theoretical Framework

By introducing new technology and business models that compete with the established incumbents, streaming platforms have disrupted the traditional film industry in Europe. This analysis aims to provide light on the elements that have led to the success of these disruptive platforms as well as the difficulties the conventional film industry has had in adjusting to these developments. The study seeks to provide a deeper understanding of the complex relationships between disruptive innovation and the European film industry by using a theoretical lens to the research subject.

The "Disruptive Innovation" theory by Clayton M. Christensen serves as the theoretical foundation for this study. This theory explains how a new invention can revolutionize an established market or industry by bringing affordability, accessibility, and simplicity in contrast to the traditional norms of high complexity and expense. This idea will assist in addressing the main research question and its sub-questions by examining how Netflix and other movie streaming services have altered the European film market.

This theory was created by Harvard University professor Christensen in the 1990s, and it became well-known because to his book "The Innovator's Dilemma." A new technology or product that fundamentally alters how businesses operate and disrupts established markets is referred to as disruptive innovation. This dramatically changes the competitive environment. Disruptive inventions like the personal computer, the internet, and mobile gadgets are examples of how people now work and interact differently.¹¹

Disruptive innovations frequently begin in niche markets before slowly spreading as they gain popularity. An industry leader may initially overlook or disregard a disruptive invention because it seems to be serving a narrow niche. The new idea or item, though, has the

¹¹ Clayton M. Christensen, *The Innovator's Dilemma: The Revolutionary Book That Will Change the Way You Do Business*, Reprint edition (New York, NY: Harper Business, 2011).

potential to completely transform the market in the long run.¹²

Streaming platforms were not yet in the market when Clayton Christensen first proposed the idea of disruptive innovation in 1995. Initially not providing a direct threat to the market leader at the time, Blockbuster, Netflix did not launch as a DVD rental service until 1997. Netflix's approach of concentrating on a certain niche market, such as viewers who were not especially interested in new releases but desired the convenience of having movies delivered to their homes and avoiding late fees, was one of the main elements of disruptive innovation. Netflix is a great illustration of this phenomena, as observed by Christensen and his colleagues in their revisiting essay published in 2015 and strengthened by their argument that disruptive innovations frequently start in low-end or new-market footholds.¹³

Christensen, Raynor, and McDonald acknowledged the theory of disruptive innovation's great adoption in their revisiting essay from 2015, but they also drew attention to the ways in which its fundamental ideas have frequently been misapplied. They claimed that in the 20 years after it was first introduced, the word has been overused a lot and that its effectiveness may have been hindered by overshadowing significant advancements in the theory. The authors elaborated on the traits of disruptive technologies, offered a chart to further show their thoughts, and included a number of instances to support their argument.

¹² Clayton M. Christensen, *The Innovator's Dilemma: The Revolutionary Book That Will Change the Way You Do Business*, Reprint edition (New York, NY: Harper Business, 2011).

¹³ Clayton M Christensen, Michael Raynor, and Rory McDonald, 'What Is Disruptive Innovation?', *Harvard Business Review*, 2015.

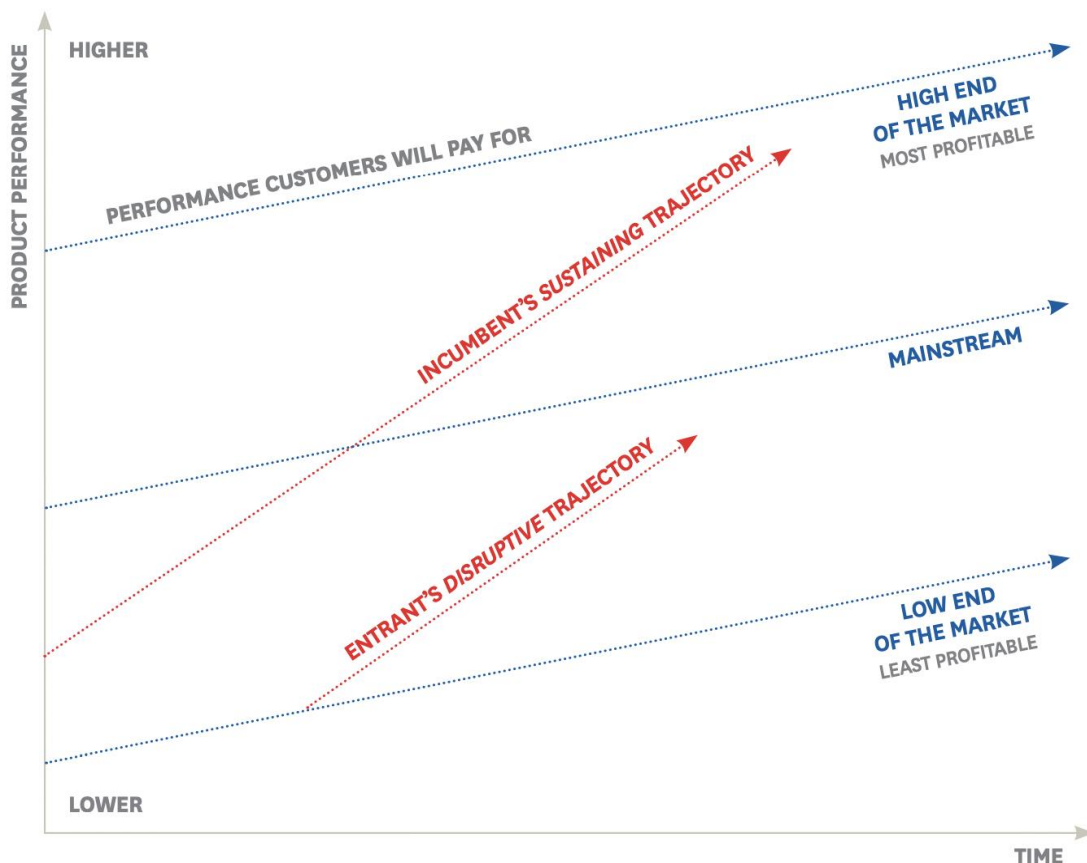


Chart 3. The Disruptive Innovation Model ¹⁴

The graph in question contrasts over time the rate at which items have improved (the red line) to the rate at which consumers are ready to pay for those things (the blue line). Established businesses frequently disregard the wants of clients who are less profitable while they work to improve their products for their most demanding and lucrative customers. Smaller businesses now have a chance to enter the market and offer goods that are better suited to the demands of these unmet consumers. These tiny businesses begin by supplying low-end goods, but with time they develop their selection and move upwards to compete with established businesses' hegemony.

¹⁴ Clayton M Christensen, Michael Raynor, and Rory McDonald, 'What Is Disruptive Innovation?', *Harvard Business Review*, 2015.

The growth of Netflix exemplifies the idea of disruptive innovation as described by Christensen et al. Netflix was able to advance in the market and win over customers who were seeking the same level of convenience and selection as it was able to do so. This is a crucial aspect of disruptive innovation: new firms initially target underserved or low-end market sectors before progressively moving upmarket as their goods or services advance, eventually challenging the dominance of established players.

The authors of the revisited theory from 2015 also emphasized that "the disruption is the process"¹⁵ as another essential point. In light of this, the creation of Netflix is a shining example of how disruptive innovation can be put to use and how a business may upend dominant firms in its field by concentrating on the requirements of underserved clients and progressively upgrading its service to appeal to a wider audience.

Another study employed a chart that exemplifies the idea of disruptive innovation to further explain how disruptive Netflix was to the market leader in place back then, Blockbuster.¹⁶ In the chart, the trajectories of product performance and customer demand through time are contrasted. The needs of some segments are met at the exclusion of others as incumbents concentrate on making their products better for their most profitable and demanding clients. As a result, new players have the chance to offer more useful products, frequently at lower prices, that are targeted at the underserved market niches. The performance of their offerings is enhanced when disruptive newcomers advance upmarket and finally challenge the incumbents' hegemony.¹⁷

¹⁵ Clayton M Christensen, Michael Raynor, and Rory McDonald, 'What Is Disruptive Innovation?', *Harvard Business Review*, 2015.

¹⁶ Martina Danesi, "DISRUPTIVE INNOVATION IN THE VIDEO STREAMING INDUSTRY: THE CASE OF NETFLIX", (MA thesis, Oxford Brooks University, 12 October, 2021.)

¹⁷ Martina Danesi, "DISRUPTIVE INNOVATION IN THE VIDEO STREAMING INDUSTRY: THE CASE OF NETFLIX", (MA thesis, Oxford Brooks University, 12 October, 2021.)

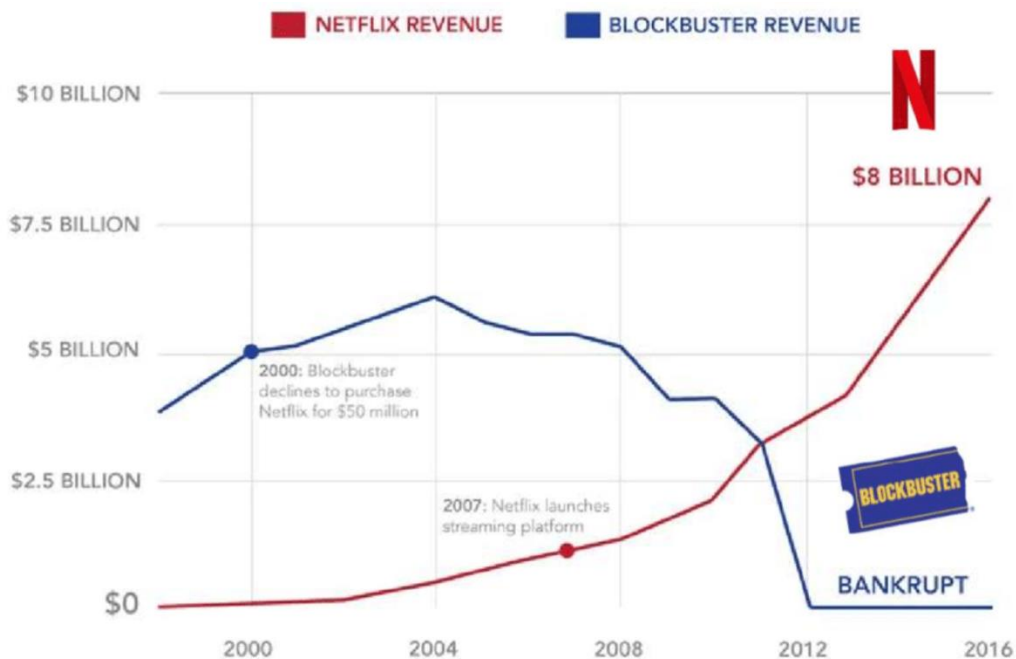


Chart 4: Netflix vs Blockbuster (Cloud Technology Partner, 2017) ¹⁸

As previously mentioned, Chart 1 contrasts product performance trajectories with customer demand trajectories to highlight the general characteristics of disruptiveness. This chart explains how disruptive innovations emerge in low-end or new-market footholds and how newcomers prove disruptive by successfully focusing on underserved areas and obtaining a footing by supplying more suitable features, typically at a cheaper price. The mainstream customers start embracing the entrants' offerings in large numbers as they climb upscale, providing the performance that incumbents' mainstream customers demand while maintaining the advantages that contributed to their early success. This leads to disruption.

On the other side, Chart 2 demonstrates how to apply these concepts to the situations of Netflix and Blockbuster. It demonstrates the revenue growth trajectories of the two

¹⁸ Danesi, "The Case of Netflix"

businesses over time, with Blockbuster initially dominating the market and Netflix gaining ground gradually until it eventually overtakes Blockbuster. This graph explains how Netflix, which focuses on a different customer base than Blockbuster, was able to grow steadily over time and eventually take over the market, while Blockbuster was unable to adequately counteract Netflix's disruptive business model. Combining these two charts will help us comprehend the fundamentals of disruptiveness and how they relate to particular situations, like the disruption of the video rental business.

This study, which tries to apply the disruptive innovation paradigm to the situation of the European film market and the impact of streaming platforms, echoes the need for more knowledge and examination of disruptive innovation made by Christensen et al. Although the disruptiveness of Netflix has been well acknowledged, the study aims to examine the broader implications and consequences of streaming platforms on the industry, including potential difficulties and possibilities for established businesses as well as the general market evolution. Through this examination, the study hopes to advance our knowledge of disruptive innovation dynamics and how they apply to the digital film business in the European Union.

1.4. Innovative Aspects of the Study

Although there are numerous studies on disruptive innovation and the evolution of the film business in the digital age, there haven't been many attempts to connect the two, particularly when it comes to European cinema. Furthermore, much current research on the film industry and streaming services focuses on Hollywood and US patterns, with little attention paid to other regions of the world.

Numerous noteworthy occurrences in recent years have changed the film industry's landscape. Given that the UK had previously played a big role in the European film industry, Brexit has altered the way academics examine it. A key hub for film production and distribution in Europe, the UK was one of the biggest markets for European films and co-productions before the United Kingdom left the European Union. Due to the UK's enormous market influence, the focus of academic research on the European film industry has mostly been on the country.

The COVID-19 pandemic has also had a big influence on the movie business, with subscriptions to streaming services like Netflix skyrocketing. For more accurate numbers, it should be noted that Netflix alone saw a 16 million customer growth during the pandemic's first half.¹⁹ In addition, the pandemic has changed consumer behaviour, with many people attempting to stay away from public events and cinemas especially. Because of the regulations, movie theatres had to keep their doors locked and the number of moviegoers has substantially fallen. Unsurprisingly, streaming services filled the gap while that was happening. Fast and drastic change almost prevented the impending demise of theatres in favour of streaming.

Although the pandemic hastened the expansion of streaming services, our study does not

¹⁹ Peter Kafka, 'The Pandemic Has Been Great for Netflix', Vox, 16 July 2020, <https://www.vox.com/recode/2020/7/16/21327451/netflix-covid-earnings-subscribers-q2>.

only examine its effects. Instead, the study will look at how streaming services are generally upending the European film business. The study will specifically look at the role of streaming platforms in altering the value chain of the EU film industry.

1.5. Sources and Methods

The study uses a multidisciplinary approach to improve our comprehension of how streaming platforms are affecting the creative and cultural industries, with an emphasis on the movie industry specifically. The study acknowledges the connectedness of these developments and the demand for a thorough understanding by integrating viewpoints from media studies, sociology, business, and economics.

The study also uses a historical perspective to contextualize the current situation and foresee potential future changes. Researchers can follow the development of streaming platforms, comprehend technological breakthroughs, and pinpoint significant turning points that have influenced the creative industries by looking at the historical backdrop. The study may evaluate the development and business models of streaming platforms through the analysis of historical data, and it can also learn from similar changes in other industries.

Also, in order to thoroughly address the research question, a comprehensive approach was adopted, incorporating multiple sources. In addition to conducting in-person interviews, internet-based research was extremely important to the study since it allowed the interviews to be set within a larger framework. To stay informed on the dynamic changes in the EU film industry and streaming landscape, a variety of materials, including respectable magazines, industry reports, and official websites, were accessed through the use of the internet. This thorough method enabled a holistic analysis, contrasting and comparing interview findings with market trends, legislative changes, and technology breakthroughs. The study ensured a well-informed exploration of the research subject, expanding the analysis, and offering a thorough grasp of the influence of streaming on the EU film industry by integrating interviews with internet-based research.

Semi-structured interviews were used as part of a qualitative research approach for this study. Both in-person and virtual Zoom meetings were used to conduct the interviews. The use of semi-structured interviews allowed for the examination of the study questions as well

as the flexibility to pursue intriguing digressions that appeared throughout the conversations. Each interview lasted for about 40 to 50 minutes, and with the participants' permission, it was audio-recorded. To find patterns and themes in the recorded data, it was transcribed and subjected to a thematic analysis. All things considered, doing semi-structured interviews was an effective way to learn more about the participants' thoughts and experiences in-depth. Appendix 1 contains the set of initial questions that acted as a roadmap for the study and served to direct the interviews. This appendix offers a thorough breakdown of the inquiries used to investigate different facets of the EU film market, allowing for openness and referencing the study methodology.

Eight people in all were interviewed for the study, and they were chosen based on a number of factors. The most important requirement was that the participants had to have more than ten years of experience working in the film industry. This was done to guarantee that the participants had a thorough awareness of the sector and could offer insightful opinions about the study's subject. All of the respondents had experience working in multiple European nations, which enabled them to present a more varied and insightful view of the EU film business. The table detailing the roles of the interviewees in the European film industry, providing further information about their positions and responsibilities, can be found in Appendix 2 of this study. This appendix offers a comprehensive overview of the diverse roles represented among the participants, showcasing the range of expertise and perspectives captured in the research.

The snowballing method has been employed in the selection of interviews for this study. This method involves identifying initial participants who possess relevant knowledge and expertise in the subject area and then using their recommendations to identify additional suitable interviewees. The selection process started with interviews conducted at top-tier European film festivals, specifically the Rotterdam International Film Festival 2023 and the Cannes International Film Festival 2023.

From producers to distributors to directors, the research's interviewees played a variety of responsibilities. By taking into account the various roles and responsibilities that are present

within the business, this strategy aimed to capture a wide range of viewpoints on the EU film market. It also made it possible to have a more thorough understanding of the entire film industry, from pre-production to distribution and screening.

Nevertheless, despite the fact that the interviewees held various responsibilities and positions, they all shared a characteristic. All of the responders were participants in recognized European film organizations or schools and had held a variety of positions within the film business. The participants' combined experience in the industry and knowledge of the potential and problems facing the EU film market guaranteed that they had a thorough comprehension of the subject matter.

The research intended to gather a varied variety of viewpoints on the EU film market by including persons who have held numerous positions and are members of prominent film organizations. The selection criteria made sure that the research subjects were skilled and knowledgeable people who could offer perceptive viewpoints on the EU film business. It was made possible to capture a wider range of viewpoints by including participants from different backgrounds and genders, which helped to advance understanding of the research topic.

Furthermore, for exclusive interviews and insightful pieces, study relied on reputable publications like Variety and The Guardian and the official websites of institutions like the European Union. The official websites of the European governments have been also overviewed to find out about the new laws. This all-encompassing strategy guarantees access to reliable and current data, improving the precision and depth of analysis in comprehending the influence of streaming on the EU film business.

1.6. Literature Review

This chapter seeks to situate the research within the larger academic discourse and identify any gaps or areas that call for more exploration. It does this by looking at a variety of scholarly articles, books, and studies. The literature review focuses on the changing nature of the film industry, the effects of digitalization and technical improvements on viewer behaviour and consumption patterns, and the advent of streaming platforms as significant market participants. Additionally, it explores the interactions between conventional and modern institutional logics, the power relationships inside streaming networks, and the effects of the platform economy on the film business. This chapter helps readers grasp the complex forces influencing future cinema by studying and integrating the body of existing material.

A book titled *The Lumiere Galaxy - 7 Key Words for the Cinema to Come* which was published in 2015 by American film scholar Francesco Casetti, is divided into 7 sections and each of them focuses on a different word or phrase associated with the film industry. The author emphasizes the importance of the viewer's role in the advancement of film and discusses the multifaceted aspects of the viewer's experience. He begins by using the word "relocation" in this process. Casetti uses this term to refer to the platform change that occurred when moviegoers shifted from theatres to other devices like cell phones, tablets, computers, etc.²⁰ This change marked the beginning of the new - streaming dominated era.

The shift Casetti is speaking about happens due to modern technologies and the digitalization of leisure and entertainment that already framed human behavioural habits. Technology is changing according to what viewers use and consume. In other words, the audience makes the decision on how the show goes on in the world. David Arditi sounds this idea in his book *Streaming culture: Subscription Platforms and the Unending Consumption of Culture*. He takes cultural studies to approach the trend and states that the selection of technology is a reflection of underlying social dynamics. Streaming culture alters how

²⁰ Giacomo di Foggia, 'Dieci Anni Dopo. Francesco Casetti, *The Lumière Galaxy*. Seven Key Words for the Cinema to Come, Columbia University Press, New York 2015', *Cinergie – Il Cinema e Le Altre Arti*, no. 7 (1 March 2015): 151–52, <https://doi.org/10.6092/issn.2280-9481/6984>.

people interact with media by connecting with each component of the cultural circuit. Another interesting point, Arditi makes is that the move toward streaming heralds a change in capitalism as big businesses try to get more money out of commodities and adds that streaming culture is important because businesses have used it to lure consumers into cultural consumption and drive up the cost of that consumption over time.²¹ Arditi's work underscores the significant role of consumers in driving the shift towards a streaming-dominated world, where the interplay between social and technological factors has shaped the landscape of entertainment consumption.

The idea that human behaviour and technological advancement are interconnected is a frequently discussed topic in modern-day scholarship. Researchers argue that we stepped into a new economy where people's social and economic life are framed and directed by tools built on the strength of the internet. The cornerstone of this shift towards digitalization is recognized as an algorithmic revolution. This revolution employs a diverse range of computational algorithms to various spheres of life, ranging from leisure and consumption to industry and services.²² The algorithmic revolution is also referred to as the 4th service transformation. John Zysman distinguishes four types of shifts and explains the idea behind them chronologically. According to him, the first service story involved a financial engineering issue rather than an accounting mistake. The operations that were outsourced from manufacturing were rebranded as services. This represented a change in the location of the activities. The second story concerned shifts in consumer purchasing patterns as well as methods used by businesses to create and deliver their goods and services. People's consumption patterns changed as their wages increased and the cost of commodities declined. The consumer market basket started to include more services. There were more service inputs into production in the shape of marketing, branding, law, etc. as management and competition expanded. Services took up more space in the economy as a result of both consumer and business purchasing trends evolving together. The third service story was about how women's roles shifted and are still shifting in employment and how this has led to

²¹ David Arditi, *Streaming Culture: Subscription Platforms And The Unending Consumption Of Culture* (Emerald Group Publishing, 2021).

²² John Zysman, 'Choosing a Future in the Platform Economy: The Implications and Consequences of Digital Platforms', June 21,

2015, <https://policycommons.net/artifacts/1535343/choosing-a-future-in-the-platform-economy/2225161/>.

the transformation of unpaid domestic work—such as mopping floors, babysitting children, and delivering groceries into marketable commercial services. The author calls it household outsourcing. And finally, the “fourth service story”, as Zysman states, is digital transformation. When service activities are codified, and computed as processes, frequently with processes with explicitly defined rules for their execution and respectively, the activities themselves are transformed.²³ Zysman's work serves as a reminder that change is a constant, but it is crucial to recognize that the impact of change extends beyond a single industry. Just as streaming services have influenced the dynamics of the film business, transformative shifts can affect various fields and disciplines.

John Zysman's feeling that many current organizational structures, business models, and methods for orchestrating value generation will either be completely abandoned or drastically altered is more realistic than ever. Despite the fact that control or ownership over platforms is a different issue, organizations of "peers" coordinating activities and transactions on platforms pose a threat to the viability of current business models.²⁴ Therefore, the platform economy has its winners and losers. Optimists choose to believe that the platform economy creates prospects for additional income for those who need it the most through promoting social equality. Pessimists, on the other hand, believe the opposite. According to them, the platform labour deepens income gaps by giving people with high-paying occupations more money.²⁵ Taking into consideration the insights shared by other academics, we can pose the following questions: Does the existence of winners and losers hold true in the actual impact of streaming platforms on the film industry? Is the situation easily categorized as black and white, or is it necessary to consider the presence of advantages and disadvantages that emerge from this transformative shift?

What platform economies has brought to the table is often considered to be the Disruptive

²³ John Zysman, “‘The 4th Service Transformation: The Algorithmic Revolution’, *Commun. ACM* 49 (1 July 2006): 48, <https://doi.org/10.1145/1139922.1139947>.

²⁴ Zysman, ‘Choosing a Future in the Platform Economy’.

²⁵ Lyn Hoang, Grant Blank, and Anabel Quan-Haase, ‘The Winners and the Losers of the Platform Economy: Who Participates?’, *Information, Communication & Society* 23, no. 5 (15 April 2020): 681–700, <https://doi.org/10.1080/1369118X.2020.1720771>.

Innovation.²⁶ The term was first discussed by Clayton M. Christensen as the idea of "disruptive technology" in the hard disk drive market in his book "The Innovator's Dilemma," which served as the basis for the disruptive innovation thesis. It discussed technology that were initially subpar in terms of characteristics desired by typical consumers but placed an emphasis on underappreciated characteristics. These innovations developed over time and eventually exceeded market leaders in those fields. The notion emphasizes that successful technologies don't always need to be novel or cutting-edge. Through social, economic, and political negotiations, a dominating design is produced. Businesses that embrace these technologies early are more likely to succeed than those that do not. Disruptions in other areas, such as goods and business models, are now included in the concept of disruptive technology.²⁷

Anders Fagerjord in his article *Mapping the core actors and flows in streaming video services: What Netflix can tell us about these new media networks* writes that streaming services, like Netflix, YouTube, Amazon Prime Video, and Spotify, are a novel and quickly expanding component of media industry eco-systems. Customers see them as just another way to access digital information, but the media industry and academics who study it see them as sophisticated organizations as they offer new technology options for content delivery, as well as new means of funding and licensing that content alongside attracting audiences and engaging, classifying, and analyzing content consumption. Despite this, there is a lack of academic work on this technological phenomenon. Fagerjord tries to fill the gap by analyzing the central activity "flows" and fundamental process phases that underpin streaming services. In the research, he traces the operational processes of the organizations with the help of Netflix's case study. He notes that it is still challenging to utilize the established typologies to classify streaming media companies like Netflix. Instead of being media or tech firms, they are tech-media hybrids. For Netflix, the technological procedures involving data collecting and analysis rank first, and the effectiveness of these procedures affects the company's ability to compete. Data is used to influencing key decisions,

²⁶ Clayton M. Christensen, *The Innovator's Dilemma: The Revolutionary Book That Will Change the Way You Do Business*, Reprint edition (New York, NY: HarperBusiness, 2011).

²⁷ Steven Si and Hui Chen, 'A Literature Review of Disruptive Innovation: What It Is, How It Works and Where It Goes', *Journal of Engineering and Technology Management* 56 (1 April 2020): 101568, <https://doi.org/10.1016/j.jengtecman.2020.101568>.

including which material to buy or develop, how to use it creatively, how to establish rates, and how to make sure that subscribers and content are best matched. According to the analysis, Netflix possesses traits of both a network and a platform. However, Netflix is remarkably dependent on third parties and its fundamental procedures despite its scale. In the risk assessment portion of its 2018 Annual Report, this major entertainment company explains its dependence on cable, satellite, and communication service providers, as well as third-party entities. In fact, each streaming organization blends in-house and outside components in unique ways, with the goal of providing a service of a greater calibre or reliability while avoiding the expense of building their own infrastructure.²⁸

In his article *The Streaming Network: Conceptualizing Distribution Economy, Technology, and Power in Streaming Media Services*, Colbjørnsen states that there is no model for comprehending the logic of streaming as a method of media distribution and that we might also be unable to understand the relationships between the actors and stakeholders involved in streaming media. A network model can be used to describe actors and relationships, with the goal of describing not just who is a part of the network but also how they interact and the stances they adopt. Therefore, he tries to answer two research questions: What makes up the components or nodes of a streaming network? How are the various components connected in terms of power? By combining theoretical and empirical approaches, he concludes, that access, control, and exposure linkages are used to exercise streaming power. Control over one or more relationships that have the potential to produce money is a crucial component of the power configurations of the network. In this context, the key resources are content, data, and devices, but their value lies in their ability to be connected to users. The ability to establish connections between users and other nodes is what gives a business a competitive edge. Streaming service providers are particularly well-placed in the network to make these connections, and a critical element of their power is the database for each streaming service, be it for music or movies. The author, like Fagerjord, uses Netflix as an example, saying that the company still relies on external content creation to a certain extent and is totally dependent on device compatibility and access conditions. As a result, it is important for Netflix to maintain favourable relationships with content creators and hardware

²⁸ Anders Fagerjord and Lucy Kueng, 'Mapping the Core Actors and Flows in Streaming Video Services: What Netflix Can Tell Us about These New Media Networks', *Journal of Media Business Studies* 16, no. 3 (3 July 2019): 166–81, <https://doi.org/10.1080/16522354.2019.1684717>.

manufacturers on both a financial and non-financial level. However, Netflix realizes the importance of databases and is gradually decreasing reliance on third-party content production. It is an indication of changing the network's power arrangements. In this way, the network is spread and power relations are in flux.²⁹ Hence the requirement for creative content creation explains the surge in Netflix originals.

In the article *How Digitization Has Created a Golden Age of Music, Movies, Books, and Television*, Joel Waldfogel summarizes the challenges that gatekeepers in industries like book publishing, record labels, film studios, and television networks have faced due to disruptions and declining revenue streams. The fear was that these changes would lead to the inability to produce high-quality products profitably and a flood of low-quality products, which could negatively impact consumer welfare. However, he states that the opposite turned out to be true and calls the digitalization and the emergence of streaming platforms a “golden age”. In order to prove his viewpoint, he recaps the past of Hollywood studios. When movies were distributed physically to theatres all over the world by investing a lot of money in films that were seen to have potential, employing renowned stars who could command \$20 million or more for a single picture and using high-end cameras and equipment. The parameters of cost and distribution, however, have been significantly changed by digitalization. On one hand, the cost of producing high-quality media has significantly decreased due to technological advancements such as SLR cameras, which can record high-definition video and use interchangeable lenses, now costing only a few thousand dollars, or about 1% of the cost of earlier film cameras. Additionally, digitalization has lowered distribution costs and created greater accessibility, as streaming platforms like Netflix, Amazon Prime, and Disney+ have loosened the "distribution bottleneck" and lowered the barriers to entry for content creation.³⁰

The case of online screen distribution is examined in the book *Screen Distribution and the New King Kongs of the Online World* as a way to comprehend and study the quick changes

²⁹ ‘The Streaming Network: Conceptualizing Distribution Economy, Technology, and Power in Streaming Media Services’, accessed 23 December 2022, <https://doi.org/10.1177/1354856520966911>.

³⁰ Joel Waldfogel, ‘How Digitization Has Created a Golden Age of Music, Movies, Books, and Television’, *Journal of Economic Perspectives* 31, no. 3 (1 August 2017): 195–214, <https://doi.org/10.1257/jep.31.3.195>.

in new media phenomena. When discussing the promise of new technologies, the author underlines the need to avoid becoming excessively hopeful or pessimistic and uses the metaphor of a "half-full, half-empty glass" to illustrate this point. According to the author, the market is undergoing a substantial transition with the introduction of major players with large online user bases and data, such as Apple, Amazon, Yahoo!, Facebook, and YouTube. The increased accessibility and variety of licit screen content, as well as the introduction of new business models and disruptive technologies by these players, boosts prospects for amateur and professional content makers.³¹

Hadida et al. discuss the same narrative in their *Hollywood studio filmmaking in the age of Netflix: a tale of two institutional logics* saying that Hollywood is going through an identity crisis, and it's not just because new technologies are undermining its supremacy. Even though television seemed to be a threat in the 1950s, online streaming services, a new group of competitors, are openly contesting how Hollywood conducts business. The paper aims to answer the query: how will the conflict between the two institutional logics, one of which is a recent innovation and the other well-established develop? With the established institution, the authors mean five main Hollywood studios: Warner Bros. Entertainment, Paramount Pictures, Universal Pictures, Sony Pictures Entertainment, Walt Disney, and 21st Century Fox taken together as the latter was bought by Disney. Authors argue that Hollywood studios follow "commitment logic" as they put emphasis on theatrical releases. While, streaming platforms follow the "convenience logic" seen in the subscription structures and digital libraries used by more recent entries like Netflix, Amazon Studios, and Apple TV+. After analyzing four scenarios, wherein two of the logics interact harmoniously and in the rest, they clash or take the place of one another, the authors contoured the future trends. For example, mentioning that streaming services should keep a keen eye on emerging technologies. The success of streaming platforms such as Netflix, Amazon Prime, and Disney+ is largely due to the changing consumer behaviour brought about by technology. This includes the widespread availability of broadband access, the growth of handheld devices, and the social connectivity facilitated by Internet 2.0. These changes make streaming platforms more vulnerable to newer technologies and potential competitors or

³¹ Stuart Cunningham and Jon Silver, *Screen Distribution and the New King Kongs of the Online World* (London: Palgrave Macmillan UK, 2013), <https://doi.org/10.1057/9781137326454>.

substitutes compared to traditional studios. For example, augmented reality may soon offer social interaction across multiple physical locations and theatre-level visual experiences from the comfort of one's home. Additionally, while traditional studios have been slower to adopt analytics, online streaming services are highly sophisticated in this area. According to the institutional logic approach, organizations may eventually become to resemble one another more, for instance, because of the mobility of their human resources. Traditional media executives are frequently hired by online streaming firms. As the lines get blurred between “traditional” and “innovative”, the paper ends with the well-known quote of a Hollywood screenwriter William Goldman: “Nobody knows anything” in the film business.³²

William Goldman's famous quote, "Nobody knows anything," is frequently applicable to the constantly changing landscape of the film industry. However, it is the duty of contemporary scholars to delve into the complexities of technical breakthroughs and digitalization in order to comprehend their deep impact on the immediate environment. The platform economy and the rise of streaming platforms, which have spawned new ecosystems with substantial ramifications, are two important topics of study. Beyond simple changes in customer behaviour or company procedures, these innovations have changed the entire character of industries themselves. In light of this, this study intends to fill a vital gap in academic discourse by examining the interactions between European film and international streaming platforms. It will throw light on how the European film industry has dealt with these changes. The study aims to provide insights into how the European film industry has handled the challenges and opportunities brought on by the streaming era by investigating this intersection in order to broaden our understanding of the European film industry.

³² Allègre L. Hadida et al., ‘Hollywood Studio Filmmaking in the Age of Netflix: A Tale of Two Institutional Logics’, *Journal of Cultural Economics* 45, no. 2 (1 June 2021): 213–38, <https://doi.org/10.1007/s10824-020-09379-z>.

Chapter 2. Background

2.1. Historical Overview of the European Film Industry

It is essential to explore the historical roots of European Cinema and emphasize the enormous contributions it has made to the cinema industry in order to comprehend it in its modern context. The film business has long seen European cinema as an important player, with a rich and varied history spanning more than a century. It has endured both difficult and prosperous eras since its beginnings in the late 19th century and up to the present, having a profound influence on world cinema. The extensive history and creativity of European Cinema are the foundation of its ongoing legacy in the cinema business. European filmmakers have made a substantial contribution to the growth of cinema, reflecting the complexity of their nations and inspiring filmmakers around the world from the early pioneers to the modern visionaries.

Auguste and Louis Lumiere received a patent for the cinematograph in 1895, making Europe the origin of cinema. In 1897, Georges Méliès founded one of the first movie studios. European film businesses started by the brothers Lumieres dominated the world market during the 1900s and held the largest market share in both Europe and the US, at times even surpassing 60%. Technology and content advancements were introduced by these businesses. But by the early 1920s, Hollywood had established itself and started providing the majority of the movies that were screened in Europe, signaling a change in the industry's power structure.³³

However, European film market appeared to be resilient enough as well after the First World War. Major European countries were able to continue producing movies during the 1920s and 1930s by using a variety of tiny businesses. Some small production companies, on the other hand, lacked the funding needed to upgrade their studios and laboratories, which made

³³ 'An Overview of Europe's Film Industry | Think Tank | European Parliament', accessed 6 May 2023, [https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI\(2014\)545705](https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI(2014)545705).

film professionals want to relocate to hubs with greater activity, like Ufa.³⁴ Ufa, which stands for Universum Film Aktiengesellschaft, was a significant player in the German cinema industry from 1917 to 1945. It possessed a monopoly on the market and had strong ties to the government, the Deutsche Bank, and conservative funding organizations. The company's ability to assemble a stellar cast of celebrities and artists gave it an unrivaled level of talent and creative power. Ufa was in charge of making a wide variety of movies during its prime, including well-liked genres comedies, dramas, and historical epics.³⁵ While American and German businesses partnered with European studios to produce their films in several languages, Ufa, a large vertically and horizontally integrated European film giant, stood out in this regard. However, the 1929 Wall Street Crash had a significant impact on the European cinema industry, and the advent of sound technology gave a further blow to those lacking the financial means to invest in it. In spite of this, the decade was a heyday for domestic popular film in certain nations, including Germany and France.³⁶

A national identity started to emerge in early European film as a result of its usage as an effective propaganda tool. For instance, Ufa actively aided the Nazi government's propaganda campaigns. Even if it is debatable, the use of propaganda in movies did give the European film industry a feeling of national identity, which helped it survive. National cinema designates a film business that is regarded as an institution and benefits from state funding and assistance, much like national opera companies or national ballet companies. Since the First World War, the cinemas of Europe have played a role in the political economies of their countries. Governmental actions like taxation, tariffs, censorship, and local ordinances have established this connection, which was made possible by the employment of film for propaganda in legalizing and legitimizing national cinema as a public space. The state had a significant impact on the growth and success of national cinema, which thus alternated between an industrial and cultural definition.³⁷

³⁴ Anne Jäckel, *European Film Industries* (Bloomsbury Publishing, 2019).

³⁵ 'Dream Factory and State Enterprise – The History of Ufa | Filmportal.De', accessed 6 May 2023, <https://www.filmportal.de/en/topic/dream-factory-and-state-enterprise-the-history-of-ufa>.

³⁶ Jäckel, *European Film Industries*.

³⁷ Thomas Elsaesser, 'European Culture, National Cinema, the Auteur and Hollywood [1994]', in *European Cinema, Face to Face with Hollywood* (Amsterdam University Press, 2005), 35–56,

There was a period of numerous national cinemas in European film industry from 1945 through the 1980s. This period saw the emergence of a number of movements that redefined what European cinema was, including the new waves. National cinema, which emphasized producing auteur film to represent the nation rather than the local commercial cinema, was one of the paradigms of this time. National cinemas were typically reinvented as a result of self-declared movements or schools, such as the Italian neo-realism of the late 1940s or the French nouvelle vague of the 1960s and early 1970s, which also appeared in other European nations including Poland, Germany, and the Czech Republic. A different way of thinking was auteur cinema, which highlighted the importance of the director as a self-sufficient creator and a representative of the particular country.³⁸

In general, the European film industries have struggled to establish, preserve, and revitalize their position in the global film industry, frequently facing competition from Hollywood. European nations have used policies like quotas, subsidies, and co-production agreements to safeguard and advance their industries. The film industry has always been a place of global cooperation and rivalry, with Hollywood investing in Europe and vice versa. Successful co-production has a long history in European nations with similar institutions and cultural affinities, such as France, Italy, and the Nordic nations.³⁹

Red Thevenet, who served as president of the Professional Association of Cinematography for Conciliation and Arbitration (1974–1975) and vice president of the Chamber of French Film Producers and Exporters (1969–1972), has authored numerous economic, biographical, and technical articles and studies on cinema. In one of them, he talked about the European cinema business in the 1980s and said that it faced two significant obstacles. The first was the resurgence of the American film industry, which has tightened its grip on the global market and imperiled European cinema's ability to survive. Second, the role of free

<https://www.jstor.org/stable/j.ctt46n11c.5>.

³⁸ Thomas Elsaesser, 'European Cinema: Conditions of Impossibility? [2005]', in *European Cinema, Face to Face with Hollywood* (Amsterdam University Press, 2005), 13–32, <https://www.jstor.org/stable/j.ctt46n11c.4>.

³⁹ Jäckel, *European Film Industries*.

competition was undercut by the increasing concentration of theater chains in national marketplaces. That, in his judgment, posed a serious danger to the Italian and French film industries. The market was reduced to a limited number of large consumers who paid extremely expensive rent for mostly American blockbusters and refused to show smaller national products except under the most unfavorable conditions, which had an impact on the freedom of competition.⁴⁰

Thevenet claimed that there was still a complete imbalance of power between American and European industrial production, especially on the technical side. Each country's American market share grew over time. For instance, in France, American movies attained a share of 33% in 1978, while the percentage of domestic movies dropped from 61.8% to 46%. The market was reduced to a few large consumers who paid extremely high rents to display mostly American blockbusters and refused to show smaller national products except under the most unfavorable conditions. This tendency toward concentration had an adverse effect on the freedom of competition. The primary method of internationalization—co-productions—was not new, thus there was cause for celebration regarding the rise in interstate agreements on the subject. Thevenet advised European filmmakers to carefully consider the lessons regarding artistic and economic vitality and asked national film industries to work hard to produce pictures that are competitive in the global market. Additionally, he noted that the government's complacent attitude did not portend well for the future because the 1980s would likely increase the influence held by large chains, leading to an imbalance in America's market dominance in Europe.⁴¹

Thevenet's predictions of those times appeared to be followed by the actual actions from the governmental bodies. European film industry started taking steps to improve its economic and creative competitiveness, with the aim of producing films that could succeed in the global market. The European Union began enacting laws and regulations to give fundamental support for the cinema in the area as early as the 1990s. This initiative has

⁴⁰ 'The European Film Industry in the 80's', accessed 7 May 2023, <https://www.tandfonline.com/doi/epdf/10.1080/00315249.1980.9944036?needAccess=true>.

⁴¹ 'The European Film Industry in the 80's'.

offered funding for creation, dissemination, and training over the course of three phases: MEDIA I (1990–1995), MEDIA II (1996–2000), and MEDIA Plus (2000–). Under these objectives, programs including Support for Creative Independent Production Talent (SCRIPT), MEDIA Business School seminars, and Ateliers du Cinéma Européen (ACE) have been introduced. Numerous European producers have been persuaded by these programs that simultaneous creative and financial planning is essential for success. In spite of the fact that MEDIA consultants stress the necessity for the European film industry to stay true to itself, they have also noted that there are far too many films being produced in Europe compared to Hollywood. In contrast, many Hollywood films never make it past the development stage. National governments and European initiatives like MEDIA have acknowledged the significant expenses and dangers producers face during the pre-production phase. Incentives have been suggested to induce sufficient investment in a field that is typically thought of as incidental to the industrial process. The MEDIA I Program claimed that "improving pre-production quality is the best way to increase the value of the European audiovisual industry."⁴²

On the other hand, television was also perceived as the threat to the European cinema, when it initially became a popular mass medium. For example, the introduction of cable and pay TV in Germany as well as the end of governmental television regulation exacerbated this threat. State-run television and the FFA signed the Television Framework Agreement in 1974, allowing for the use of a portion of the TV budget for feature film sponsorship. As a result, the primary source of funding and distribution for films of the New German Cinema was television. In comparison to other European nations, West Germany's television had a greater effect over cinema thanks to this funding structure, which was governed by the FFA. German television stations at the time obtained a significant amount of their broadcast programming from outside sources, unlike Britain. After television became a widely used mass media, the number of movie tickets sold fell precipitously, and many local theater owners worried that the majority of German movie theaters would eventually close. Filmmakers and critics believed that television gradually shaped, defined, and corrupted the appearance and feel of West German national film productions during the 1980s, in addition

⁴² Jäckel, *European Film Industries*.

to its detrimental economic effects on theaters.⁴³

In Spain, the film business had relied on television more and more for funding and marketing since the late 1990s. The discourse on film and television had changed as a result, creating a new "cultural" dependence. Television was considered as a solution to the challenges facing the film industry, as well as a source of new talent and social dimension, changing the trend of a more constructive exchange of ideas between cinema and television. This was due to the expansion of commercial and local television stations. In Italy, during the same period of time, many filmmakers who worked for both TV stations and movie studios at the turn of the century were criticized for degrading the aesthetic standard of cinema by forcing their lax standards on aspiring directors. TV networks prioritized easy-to-watch content like games, competitions, quizzes, and discussions because they required little to no creative effort to produce in order to compete for viewers. This method of working left its mark on newcomers' works, with the camera clumsily hunting for individuals and things and performers speaking with a terse, peculiar lexicon. These films, which mimicked the habits, language, and music of the younger generation and were not meant for theatrical release, were instead cut onto DVDs and distributed for a limited time.⁴⁴

However, the traditional value chain of film production remained the same. In his paper "Re-defining the Independent Film Value Chain," Peter Bloore provides a thorough overview of the complete film-making process and includes a table that breaks down the various steps: development, financing and pre-sales, production (shoot and post), international sales and licensing, international distribution/exhibition, and consumption by the audience.⁴⁵

In development, screenplays are created or acquired, ideas for movies are developed, and writer finance is obtained. It is frequently distinct from production financing and is sometimes regarded as a defining quality of independent movies. The picture is financed and sold to territories during the difficult pre-sales and financing phases depending on the value

⁴³ Dorota Ostrowska et al., *European Cinemas in the Television Age* (Edinburgh University Press, 2007), <https://www.jstor.org/stable/10.3366/j.ctt1r2731>.

⁴⁴ Ostrowska et al.

⁴⁵ Peter Bloore, 'Re-Defining the Independent Film Value Chain', *UK Film Council*, February 2009, <https://www.bfi.org.uk/sites/bfi.org.uk/files/downloads/redefining-the-independent-film-value-chain.pdf>.

that the director and cast are deemed to have. When a movie is funded and sold to territories, it goes through a complicated process called financing and pre-sales that is predicated on the value that the director and cast are thought to have. Shooting and editing are both parts of production; the director has a lot of power during the shoot but may have less of it during post-production owing to budgetary constraints. Licensing the finished movie to distributors in several countries is a part of international sales. In exchange for the right to show the movie, distributors pay a fee and split the revenue with the film's original backers. Sales representatives contribute to the chain's value and take part in financing, which is a critical function for them to play in this market. When distributors produce and deliver a film to numerous territories via diverse channels, such as DVD sales, pay TV, theatres, and internet platforms, this is known as international distribution or exhibition. The third group is the consumer, who increases the financial value of the work by paying for it and shapes its long-term reputation through audience reaction and critical acclaim.⁴⁶

⁴⁶ Bloore, "Film Value Chain"

The Independent Film Project Value Chain

(By activity. Conventional European / US indie, non-studio. © Peter Bloore, 2009)

(Source: Bloore (2009) Re-defining the Independent Film Value Chain)

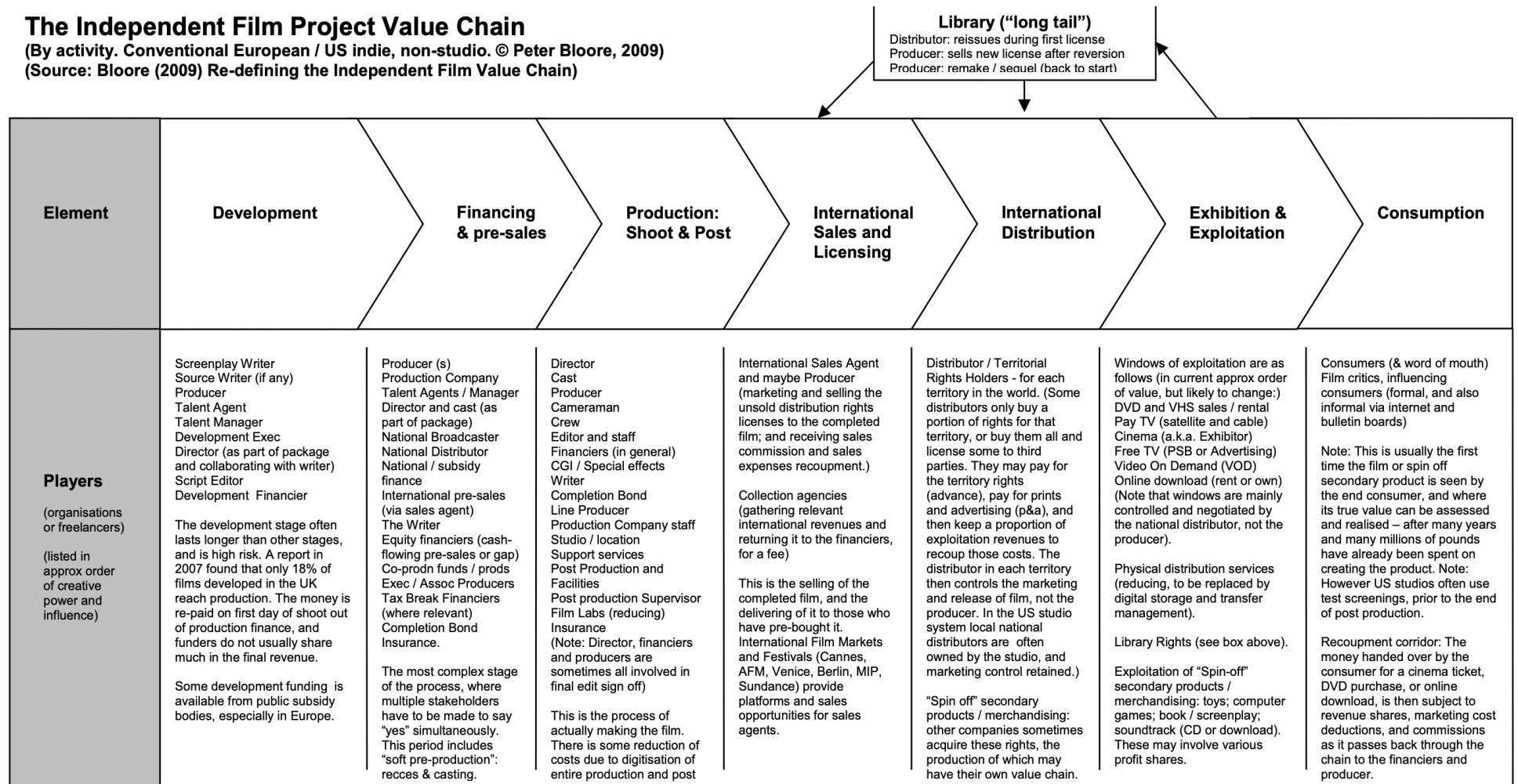


Table. 1. The Independent Film Project Value Chain

Burgess and Stevens use Bloore's table to gain a thorough understanding of the filmmaking process as they investigate how Netflix undermines the traditional film value chain in Canada and Australia. The discussion of film business logics to release windows is constrained by the emphasis on equating Netflix with television, leaving out the more comprehensive reconfiguration that is taking place. The authors contend that investigating the adaptability of current value chains and exploitation models is essential to navigating the evolving screen environment.

2.2. Emergence of the Streaming Platforms

Prior to exploring the disruptive effects of streaming platforms, it is crucial to understand the history of Internet-Distributed Television, a revolutionary genre of television that debuted in the early 2000s alongside the development of the internet and digital technologies. By enabling viewers to watch programmes and films via internet platforms, this new sort of television revolutionised the way material was distributed. Traditional television models were put to the test by the ease of use and accessibility that internet distribution provided, and streaming services rose to prominence. Understanding the evolution of Internet-Distributed Television gives context for understanding the radical changes that streaming platforms have brought about in the media environment.

In order to stream a live radio broadcast of a baseball game between the Seattle Mariners and the New York Yankees to its customers around the world, ESPN SportsZone teamed up with Progressive Networks, now known as RealNetworks. The first livestreaming event ever took place here. However, there were several issues with streaming media in its early years, such as how to stream video over 56k modem connections. Later, RealNetworks found itself engaged in a legal and technological battle with Microsoft, which was ultimately triumphant thanks to its Windows Media technology. But in the middle of the 2000s, Macromedia, which later changed its name to Adobe Systems, reduced Windows video's market share with its increasingly well-liked Flash Player, which included interactivity, Web 2.0, and streaming video. Despite Flash Player's popularity, bandwidth, scalability, and reach were still problems for the streaming media sector.⁴⁷

UniversCine.com and FIDD (Filmmakers' Independent Digital Distribution) were two significant pioneers in European online distribution. In order to provide independent filmmakers control over the VOD (video on demand) exploitation of their films,

⁴⁷ Alex Zambelli, "A History of Media Streaming and the Future of Connected TV", *The Guardian*, March 1, 2013, sec. Media Network, <https://www.theguardian.com/media-network/media-network-blog/2013/mar/01/history-streaming-future-connected-tv>.

UniversCine.com was launched in France in 2001. It accumulated a library of more than 1,400 titles, mostly indie movies from Europe. A collaboration-based distribution firm called FIDD was established in Denmark in 2005 with the goal of maximizing independent films' revenue potential through its VOD service. Investors, VOD subscribers, and the MEDIA program of the European Commission all provided funding for it. Europa Film Treasures delivers movies through a VOD platform and protects European cinematic legacy online. Users can watch European movies from the late 19th century through the 1970s in streaming format.⁴⁸

Due to the expensive distribution guarantees needed by big Hollywood studios and the tactic of selling digital downloads at low costs or providing them as free extras, the online distribution business in Europe has not been viable. The online distribution business only saw growth among the biggest companies, allowing major studios to charge more for their movie bundles. Without access to venture capital financing, smaller online distribution platforms lacked the financial means to maintain their operations.⁴⁹

Besides, the majority of Internet traffic in the mid-2000s used HTTP, and CDNs gained popularity for distributing frequently accessed information to sizable audiences. However, streaming media, which relied on a number of proprietary protocols largely based on UDP, found it difficult to meet the demand. HTTP-based adaptive streaming, a new technology and service created by Move Networks in 2007, revolutionized the sector. The breakthrough made by Move Networks had a big impact on the streaming media market. Move Networks employed HTTP, a more dependable and well-liked protocol, in place of UDP, which was prone to packet loss and congestion. By allowing content to adjust to network constraints, the latest technology has given viewers the finest streaming experience imaginable. With the help of this invention, the streaming media sector was able to keep up with the rise in

⁴⁸ Stuart Cunningham and Jon Silver, 'Online Distribution Globally', in *Screen Distribution and the New King Kongs of the Online World*, ed. Stuart Cunningham and Jon Silver (London: Palgrave Macmillan UK, 2013), 32–52, https://doi.org/10.1057/9781137326454_3.

⁴⁹ Cunningham and Silver.

demand for streaming material and more effectively reach viewers around the world.⁵⁰

From 2004 to 2008, internet-distributed content trials took place before the introduction of internet-distributed television, also known as web TV, but they were unsuccessful due to the lack of an audience for this type of content and the lack of worthwhile experiences. Later, the industry created acronym like OTT (over the top).⁵¹

OTT describes the delivery of video content via the internet as opposed to more conventional cable or satellite television providers. It is a subset of the platform economy, which is the term for social and economic activity that is made possible by digital platforms. The most common type of these platforms, known as transaction platforms or digital matchmakers⁵², is used for technology or online commerce and includes websites like Amazon, Airbnb, and Uber. In addition to these platforms, the digital economy also includes video streaming services like Netflix, Amazon Prime, and Disney+. OTT websites can be viewed using a variety of gadgets, including smartphones, tablets, smart TVs, and gaming consoles. On a monthly or annual membership basis, users of services like Netflix and Disney+ get access to curated content. Some OTT platforms, like Amazon and Peacock, generate revenue by either charging less for subscriptions with fewer commercials or by showing adverts to their viewers. Therefore, the four main OTT business models are SVOD, TVOD, AVOD, and hybrid formats:

- Ad-Based Video on Demand, AVOD, generates revenue by showing ads to viewers and charging businesses for the right to intercut commercials into their programming.
- SVOD, or Subscription Video on Demand, costs a monthly fee to users for limitless video streaming.

⁵⁰ Zambelli, "A History of Media Streaming and the Future of Connected TV".

⁵¹ Amanda D. Lotz, "Portals: A Treatise on Internet-Distributed Television", *Maize Books*, 2017, <https://doi.org/10.3998/mpub.9699689>.

⁵² Steven Si and Hui Chen, "A Literature Review of Disruptive Innovation: What It Is, How It Works and Where It Goes", *Journal of Engineering and Technology Management* 56 (1 April 2020): 101568, <https://doi.org/10.1016/j.jengtecman.2020.101568>.

- TVOD, or Transactional Video on Demand when customers can buy or rent individual movies through the platforms.
- And, hybrid models, where we get these business models combined like Disney+ that mix SVOD and TVOD and Hulu that mix AVOD and SVOD.⁵³

The leading movie streaming service, Netflix, currently monetizes its users via a Subscription Video on Demand (SVOD) business model but plans to move to a hybrid one. After ending household accounts, the company saw a drop in customers, which prompted them to mix ad-supported subscriptions with their pre-existing business model.⁵⁴ Netflix still boasts 220 million members across more than 190 countries, and it uses 15% of the world's internet bandwidth despite this setback.⁵⁵

Netflix was established in 1997. The terms "net" (short for "internet") and "flix" (short for "flicks" or "movies") were combined to create the company name. The company started as a pay-per-rental DVD rental service by Reed Hastings and Marc Randolph, but they swiftly switched to a subscription model, which allowed clients to rent as many DVDs as they desired by making a predetermined monthly payment. Although originally prosperous, Netflix experienced ups and downs and even had to request that rival Blockbuster purchase the business after rejecting an offer from Jeff Bezos of Amazon. Blockbuster, which refused to pay the \$50 million price tag and went bankrupt as a result, while Netflix has a net worth of \$129.37 billion as of December 16, 2022.⁵⁶

⁵³ "OTT Business Models: A Full Breakdown on Making Revenue in OTT", *Zype*, accessed 20 December 2022, <https://www.zype.com/blog/types-of-ott-business-models>.

⁵⁴ Scott Roxborough, "Ted Sarandos Explains Why Netflix Will Add New Ad-Supported Tier to Streaming Service", *The Hollywood Reporter* (blog), June 23, 2022, <https://www.hollywoodreporter.com/tv/tv-news/netflix-ted-sarandos-talks-strategy-at-cannes-lions-1235170626/>.

⁵⁵ Patrick Kariuki, "How and When Did Netflix Start? A Brief History of the Company", *MUO*, October 22, 2021, <https://www.makeuseof.com/how-when-netflix-start-brief-company-history/>.

⁵⁶ Travis Clark, "How Netflix Grew from DVD Service to a Hollywood Disruptor with over 200 Million Subscribers — That Is Now Losing Customers", *Business Insider*, accessed 20 December 2022, <https://www.businessinsider.com/netflix-history-streaming-growth-story-hollywood-disruption-subscribers-2022-6>.

It took a while before Netflix started streaming video and instantly delivering it to TVs, laptops, and tablets. In 2007, Canada became the first nation to test the service, and the launch package included 1,000 films. In August 2008, a severe database corruption prevented Netflix for three days from sending out DVDs. This was the driving force behind Netflix's decision to host its business logic in the cloud. This cloud migration would mostly take place between 2010 and 2011. Since it was a crucial part of its business operations, setting up the clouds took until 2015. The complete migration to the cloud was a game-changer for the technology industry. Netflix has built a pretty reliable cloud over the course of its existence. The complete migration to the cloud changed everything in the tech industry. Netflix has built a very reliable cloud infrastructure throughout the course of its existence, which has enabled the company to scale up seamlessly as it has undergone exponential growth and expanded to more than 190 countries.⁵⁷

Starting to create original programming was another game-changing move by Netflix. By releasing *Lilyhammer*, its first original series, in 2012, the firm entered the content creation market. After a year, *House of Cards* became the first web-original television program to receive substantial Emmy nominations. Due to its massive data collection on the viewing habits of its subscribers, Netflix is renowned for how it creates original content. Netflix is well aware of what its customers watch, how they watch it, and even the exact point in a show or movie where they start to lose interest while in contrast, TV ratings simply give a quick overview of what people enjoy to watch. Netflix became well-known for trend-spotting and producing some of the most popular films and TV shows because to the use of this dataset.⁵⁸

At the same time, Netflix was the trailblazer for movie streaming services, and its debut of an online platform for streaming TV shows and movies in 2007 paved the way for other multinational companies to follow suit. As a result, many similar services have emerged in

⁵⁷ Siddhant Jain, "The History of Netflix- Founding, Model, Timeline, Milestones", *VdoCipher Blog* (blog), December 12, 2022, <https://www.vdocipher.com/blog/2017/06/netflix-revolution-part-1-history/>.

⁵⁸ "History of Netflix Originals", accessed 20 December 2022, <https://www.thebubuzz.com/single-post/2019/11/20/history-of-netflix-originals>.

the years since, such as Amazon Prime Video, Hulu, HBO Max, Disney+, and more.⁵⁹ Data from the streaming search engine Reelgood was used by Business Insider in 2022 to examine the top movie streaming services. The study revealed that, in spite of intense competition, Netflix has the most subscribers and the broadest geographic coverage. Netflix was also discovered to be the most priced provider while simultaneously providing the most TV show options. Aside from that, the platform has published a lot more original content than any of its competitors and intended to keep up this trend in the years to come. According to the report's findings, Netflix was the leading platform in terms of its selection, user numbers, and long-term expansion ambitions.⁶⁰

This is why, the given study will focus on Netflix as the primary point of reference of the movie streaming platforms due to its significant market share and dominance in the industry. However, it will also take into account other multinational streaming platforms that are accessible in the European Union. This is because Netflix, as well as other major streaming platforms, have a wide reach and offer similar services across different regions. By generalizing the findings, the study can provide a comprehensive analysis of the current state of movie streaming services in the EU and how do they impact the European film state or to what extent they are the disruptive innovations to the existing film model.

⁵⁹ "A Brief History of Streaming", *inStreamly*, February 15, 2021, <https://instreamly.com/posts/a-brief-history-of-streaming/>.

⁶⁰ Travis Clark, "How Netflix, Disney+, HBO Max, and More Major Streamers Compare on Content and Cost", *Business Insider*, accessed 20 November 2022, <https://www.businessinsider.com/major-streaming-services-compared-cost-number-of-movies-and-shows-2022-4>.

Chapter 3 - Findings of the Study

‘Everything, Everywhere, All at Once’

In the upcoming section, we will present the findings of the study, which employs a unique naming convention for each chapter. Each chapter is titled after either a well-known classic film or an original production from streaming platforms, creating symbolic connections to the chapter's content. For instance, the opening chapter, "Cinema Paradiso," draws inspiration from Giuseppe Tornatore's beloved film and explores the challenges faced by movie theaters in the era of streaming platforms. The subsequent chapter, "Founder," alludes to a Netflix original film about the establishment of McDonald's, reflecting the concerns expressed by European filmmakers regarding the perceived influence of streaming platforms in spreading American cultural dominance. This chapter playfully suggests that Netflix's iconic red "N" logo has become the modern-day equivalent of McDonald's famous yellow "M." Following this, the study delves into the evolving patterns of distribution, exhibition, and exploitation in the film industry, aptly named "King-Kong" after the landmark US film, emphasizing the significance of distribution within the film value chain. The subsequent chapter explores the intersection of film festivals and streaming platforms, highlighting the events that have unfolded between them and drawing reference to Noah Baumbach's "Marriage Story," an original production for Netflix. Lastly, the final chapter of the findings section examines the surging popularity of TV shows, aptly titled "Wednesday," as it references the highly watched English-language TV show on Netflix at the time of writing.⁶¹

Each chapter in the study is built upon the insights gathered from interviews with industry professionals. These interviews provide valuable observations and comments that form the foundation of each chapter's content. Following the remarks shared by the interviewees, desk research is conducted to supplement and enrich the narrative, ensuring that each subchapter is comprehensive and well-rounded. This combination of firsthand perspectives and extensive desk research helps to create a holistic and informed exploration of the topics covered in the study.

⁶¹ "Wednesday Becomes Netflix's Most Popular English-Language Series of All Time", *MovieWeb*, June 20, 2023, <https://movieweb.com/wednesday-most-popular-on-netflix/>.

3.1. 'Cinema Paradiso' – Movie Theaters VS Streaming Platforms

On the one hand, professionals are aware that streaming services give filmmakers a chance to reach a larger audience and give films a platform even if they don't have theatrical releases. Given the enormous volume of films being created, this increased accessibility and flexibility may be beneficial. Filmmakers can present their work to a global audience on streaming services, which act as an alternative distribution channel of movie theatres. Echoing Giuseppe Tornatore's Italian classic, the chapter is called 'Cinema Paradiso'.

If in the above-mentioned movie, the television is indirectly showcased as the rival of the movie theater, in today's world the influence of streaming platforms on the customary movie theater experience, worries the experts. They saw the growth of streaming services as a potential danger to the traditional movie-going experience. According to the participants of the study, because streaming is so convenient, it may draw people away from going to the theater, which might affect both the amount of people who visit theaters and their general viability.

However, all of the interviewees name the advantages of theater experience and say that it has its own distinctive attraction due to factors like the big screen format, the group viewing, and the immersive environment. One of the interviewees, say that even though the pandemic saw the decline in the cinema goers, numbers are resurrecting and even more, now more than ever, after being locked down for so long, society missed the public gatherings, this is why they grab a chance to have communal experience of watching movies in the theaters but at the same time not saying no to the comfort of sitting on their sofa and watch Netflix.

In 2019, The International Union of Cinemas (UNIC) has provided a preliminary update on moviegoing attendance and box office receipts for 2018 in Europe. Data indicated that compared to the previous record-breaking year, overall moviegoing in Europe has been declined by about 3.3%. Nevertheless, despite the reduction, there were more than 1.25 billion admissions overall, and for the fourth year in a row, box office receipts exceeded €8

billion. Nearly 950 million moviegoing visits declined by 2.9% in the Member States of the European Union (EU) where data was available.⁶²

The movie theater industry was already having problems due to a drop in moviegoers before the COVID-19 pandemic. The pandemic, however, had an especially severe effect, sharply reducing attendance and accelerating the already downward trend. The epidemic resulted in extensive theater closures and stringent regulations on public meetings, which had a negative influence on the industry. There was a significant drop of moviegoers as a result of the forced shutdown, safety concerns, and alterations in customer behavior.

According to data, comeback in the movie theater business occurred in Europe in 2021, with 589 million tickets sold, a 36 percent rise from the year before.⁶³ This expansion is encouraging for the sector since it shows that the COVID-19 pandemic's effects have subsided. It is crucial to remember that the audience achieved in 2021 is still much below the approximately 1.35 billion attendance recorded in 2019. This demonstrates the pandemic's continuing consequences on movie theater attendance. The box office revenue in Europe increased in 2021, but it did not reach the levels recorded before to the COVID-19 pandemic. This shows that despite a partial recovery, the industry's income generation levels have not yet entirely returned to their pre-pandemic levels.⁶⁴

UNIC's (International Union of Cinemas) thorough analysis also showed the similar trend of European cinema performance in 2022. They projected significant improvement, with admissions rising by at least 36.5% and the overall box office surpassing €5.6 billion, up 55.6% from 2021. Significant box office growth was seen in nations including Slovenia,

⁶² 'OVER 1.25 BILLION CINEMA-GOERS IN EUROPE FOR FOURTH CONSECUTIVE YEAR', *Unic-Cinemas*, February 6, 2019, 2, <https://www.unic-cinemas.org/en/resources/news/news-blog/detail/over-125-billion-cinema-goers-in-europe-for-fourth-consecutive-year/>.

⁶³ 'Europe: Number of Movie Tickets Sold 2019-2021', *Statista*, accessed 10 May 2023, <https://www.statista.com/statistics/429601/cinema-admissions-in-europe/>.

⁶⁴ 'Europe: Number of Movie Tickets Sold 2019-2021', *Statista*, accessed 10 May 2023, <https://www.statista.com/statistics/429601/cinema-admissions-in-europe/>.

Austria, Lithuania, and the Czech Republic. However, ticket sales in Europe decreased by 34.4%, and admissions were down 40.3% from the record-breaking year of 2019. These numbers were influenced by a number of variables not only Covid regulations including less US releases and geopolitical developments like Russia-Ukraine war. Box office success was reached by US produced films like *Avatar: The Way of Water* and *Top Gun: Maverick*, but regional movies were crucial in countries like France and the Czech Republic.⁶⁵

Streaming platforms have emerged as the undisputed victors in the entertainment business as a result of the global Covid-19 pandemic. With lockdown procedures in place and more people staying at home, viewing movies from the comfort of their couches became a common occurrence in the lives of millions of people. To give you an idea of the scope of this movement, just Netflix alone saw a startling 16 million new customers during the pandemic's first half.⁶⁶

Streaming companies stepped in to fill the hole created by people trying to avoid public gatherings and cinemas having to close their doors due to legislation. Rapid adoption of streaming signaled a departure from conventional theaters that seemed imminent. The popularity of films like *Spider-Man: No Way Home*, which broke box office records during its opening weekend in theaters, put some doubt on this idea. Following suit, several eagerly awaited movies like *Batman*, *Doctor Strange in the Multiverse of Madness*, and *Top Gun: Maverick* showed that there is still a demand for the cinematic experience. The box office was successful for independent movies as well like *Everything Everywhere All at Once*.⁶⁷

⁶⁵ "Cinema-Going in Europe in 2022 - European Cinemas Hit 55.6% Box Office Growth in 2022", February 14, 2023, <https://www.unic-cinemas.org/fr/ressources/actualites/blog/detail/cinema-going-in-europe-in-2022-european-cinemas-hit-556-box-office-growth-in-2022/>.

⁶⁶ Peter Kafka, "The Pandemic Has Been Great for Netflix", *Vox*, July 16, 2020, <https://www.vox.com/recode/2020/7/16/21327451/netflix-covid-earnings-subscribers-q2>.

⁶⁷ Frederik Blichert, "Will Movie Theaters Ever Make a Full Comeback in the Age of Streaming?", *Android Authority*, September 14, 2022, <https://www.androidauthority.com/movie-theaters-vs-streaming-services-3093835/>.

On the other hand, as the pandemic has receded, Netflix's growth has slowed down considerably. Netflix's stock fell 11% in after-hours trade in April 2021, devaluing the firm by \$25 billion. In contrast to the booming 63% rise in the tech sector, Netflix's shares only increased by 27% in value during 2020. These numbers highlight the difficulties multinational streaming providers have experienced since the outbreak.⁶⁸

In general, the pandemic has sped up the trend towards streaming services, which have emerged as a major source of entertainment during lockdowns. A coexistence of streaming services and conventional cinemas is noted as the situation gradually improves and theaters reopen, but the movie industry landscape is still changing.

There are many different viewpoints on the complex issue of whether streaming services are to blame for the reduction in moviegoers. However, the stark contrast in daily searches between "Netflix" and movie tickets is one convincing piece of evidence. The facts themselves are illuminating, even though this comparison might not give a complete picture because there could be other factors at play, such as impromptu theater visits or different methods of making reservations.⁶⁹

In our study, every interviewee agreed that while streaming services may present some difficulties, they won't entirely replace the theater experience. One interviewee, who is presently in charge of programming the top theater in the Netherlands, sheds more light on the subject by highlighting several facets of the problem. He claims that the difficulty goes beyond simply getting people out of movie theaters; it also has to do with the accessibility of the movies themselves. Due to copyright constraints, this implies that movie theaters may have trouble showing retrospective screenings of well-known directors. In particular, the theater might not be given the copyright license to screen a film that a director has made just

⁶⁸ Reuters, Chavi Mehta, and Lisa Richwine, 'Netflix Subscriber Growth Slows after Pandemic Boom, Shares Fall 11%', *Reuters*, April 20, 2021, sec. Media & Telecom, <https://www.reuters.com/business/media-telecom/netflix-misses-expectations-quarterly-paid-subscriber-additions-2021-04-20/>.

⁶⁹ 'Can Cinemas Survive The Rise of Streaming Services?', *Latana*, accessed 19 December 2022, <https://latana.com/post/can-cinema-survive-streaming/>.

for a streaming service. Theaters, for instance, would be unable to incorporate award-winning films created by Noah Baumbach for Netflix in a retrospective of his works.

This viewpoint highlights the challenges involved in putting together a diverse and all-encompassing program for movie theaters. While streaming services provide exclusive content and opportunities for collaboration with well-known filmmakers, they also restrict the availability of these productions in conventional theatrical settings. This makes it difficult for cinemas to offer a comprehensive cinematic experience that includes a wide variety of movies and directors.

The interviewee went on to describe a discussion he had with a Netflix representative while attending the Locarno Film Festival, which inspired an intriguing viewpoint. The Netflix representative brought up the French audience's viewing preferences during their conversation, mentioning that they were using streaming services to see Arabic films. This comment got the interviewee thinking about the potential worth of the information that streaming services for movie theaters are gathering. It prompted the question of why these popular Arabic films weren't easily available in French theaters, where French fans were.

This finding underscores the difference between the content offered by traditional movie theaters and that on streaming platforms. The respondent was inspired to think about how movie theaters might use the data and insights obtained from streaming services after their meeting with the Netflix representative. Theaters could potentially find untapped markets and cater to the different interests of their audiences by studying audience preferences and consumption trends. This insight emphasizes the possibility for cooperation and knowledge exchange between streaming services and movie theaters, which would ultimately improve the moviegoing experience for patrons and increase the variety of movies offered in theaters.

3.2. ‘The Founder’ – Red N as the remake of Yellow M – US hegemony and EU regulations

A film about the creators of McDonald's is currently accessible on Netflix. Similar to the widely known Yellow M logo of fast-food chains restaurants that have achieved global popularity and are present all across the European Union, this serves as a symbolic depiction of the growing familiarity and ubiquity of the Red N logo of Netflix. The analogy emphasizes how fast-food franchises are well-known and present in many nations, similar to how Netflix is becoming a more influential and comprehensive streaming service. Therefore the following chapter, that discusses how EU regulates the rise of the streaming platforms and opposes the possible threat of the US dominancy is headlined as ‘The Founder’.

The EU addressed the interference of streaming platforms through the Audiovisual Media Services Directive (AVMSD). The AVMSD acts as a framework for regulating media services in the EU, especially in view of the rapid evolution of technology. In order to modernize European media regulation for the digital era, it was passed in Brussels, Belgium, in 2018.⁷⁰

According to this guideline, streaming providers like Netflix must devote at least 30% of their content to movies and TV shows from Europe. The European Parliament had campaigned for a 20% "Netflix quota," but MEPs insisted on a greater number. The purpose of this clause is to aid and advance the European motion picture industry. In order to prevent advertising from having an unwarranted influence on young viewers, the directive also forbids the inclusion of products in children's programs. Additionally, member states may decide to forbid corporate sponsorship of TV shows aimed at viewers under the age of 18.⁷¹

⁷⁰ ‘Audiovisual and Media Services | Shaping Europe’s Digital Future’, 15 July 2022, <https://digital-strategy.ec.europa.eu/en/policies/audiovisual-and-media-services>.

⁷¹ Jennifer Rankin, “Online Streaming Services Face “30% Made in Europe” Law”, *The Guardian*, April 26,

Overall, these rules were created to safeguard consumers, especially children and minors, and to adjust European media law to the rapidly changing digital environment. The EU seeks to foster its own film industry and guarantee a broad and top-notch media landscape inside its member states by encouraging the inclusion of European material and protecting viewers' interests. Besides, the law also attempts to defend European drama and film against the hegemony of Hollywood and US web series. Politicians in Europe believe that cultural quotas are crucial for preserving regional languages and cultures, despite the fact that critics claim they are outmoded and ineffective.⁷²

The majority of the film professionals participating in interviews also voiced worries about the influence of multinational streaming services. This worry is in line with the concerns voiced by Thevenet, who wrote about the troubles of the persistent disparity between European and American material four decades ago. Apparently, the issue has remained the same for the European filmmakers. One of the respondents even claimed that unrestricted streaming services are a new sort of colonialism. She said that the modern colonization happens not with the war and the guns, but with the culture and language and counted streaming services as the medium to do so. This point of view contends that cultural and linguistic influence can form societies and exercise control instead of using conventional military force.

According to this argument, European cultural variety and sovereignty are at risk due to the dominance of American streaming services. The cultural predominance of American content is maintained by these platforms in the lack of regulation, potentially marginalizing European output. This point of view reflects the growing concern over the impact of international media on local cultures and sectors, as well as the requirement for legislative measures to safeguard and promote European material.

2018, sec. Media, <https://www.theguardian.com/technology/2018/apr/26/eu-third-party-trader-amazon-google-ebay>.

⁷² Rankin, "30% made in Europe"

However, when the European Data Journalism Network examined data from the European Audiovisual Observatory's Lumiere database in 2016 to look at European moviegoers' preferences from 1996 to 2016, the analysis amply demonstrated that when visiting movie theaters, European viewers tended to choose US productions. This result demonstrated how widely favored and in-demand American movies were over domestic European productions throughout the relevant time.⁷³

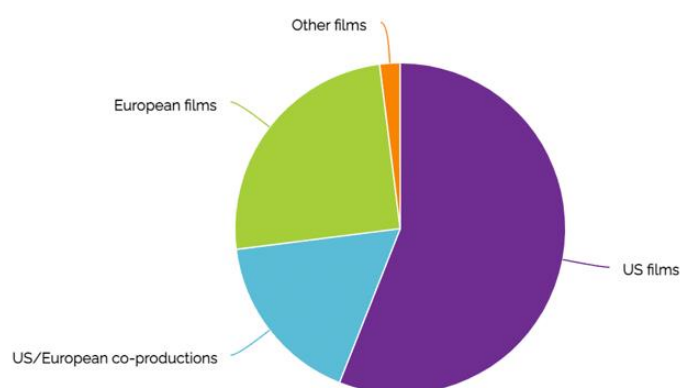


Chart 5. 'What Europeans watch, when they go to the cinema?'

European Data Journalism Network – illustration by Giorgio Comai

<https://datavis.europeandatajournalism.eu/obct/giocomai/2018-04-EuropeanCinema/#/9>

France has taken the lead in putting the national legislation into place to safeguard its domestic film and television industries against international streaming services. Additionally, France has given streaming services producer rights, giving small creators more control over their output. Similar policies are being considered for adoption by other European nations. In the face of international streaming goliaths, these initiatives seek to uphold cultural independence and support local production. France is a trailblazer in

⁷³ European Data Journalism Network, 'Home - Edjnet', European Data Journalism Network, accessed 12 May 2023, <https://www.europeandatajournalism.eu/>.

determining the direction of the EU's streaming economy thanks to its proactive stance.

The Call My Agent franchise serves as the clearest example of how France coped with streaming services by enacting laws at the federal level. The Netflix release of the movie has greatly increased its popularity, sparking a number of spin-offs around the world. However, *Call My Agent* stands out in the era of streaming due to the way its independent producers have benefited from French law. While Netflix's sizable subscriber base helped the show to gain notoriety, the creators were able to sell variations of the program to other streaming services and broadcasters all around the world. The program was initially commissioned and funded by France 2 television under a policy that supported traditional television producer rights. In contrast to most Netflix originals, ownership of the brand finally passed back to the creators. While some of *the Call My Agent* remakes are accessible on Netflix, the creators have the authority to market further iterations to competing platforms and international broadcasters.⁷⁴

France has expanded the *Call My Agent* model from traditional television to international streaming services after years of producer lobbying. This action aids regional producers who want to protect their creative property rights. Due to this national level flexibility inside the EU framework, 27 distinct investment regimes and possible rights limits have emerged. This constitutes a significant change from the prior paradigm, which allowed Netflix to have a base in the Netherlands and operate legally throughout the EU. While Italy has followed France with a more prescriptive, producers started to ask the government in Germany, a crucial market for streamers, to take similar restrictions.⁷⁵

In order to protect European cultural diversity and sovereignty, the European Union has acknowledged the significance of regulating streaming services and tackling the dominance of American content. The EU has set rules mandating streaming services to devote a

⁷⁴ Leila Abboud and Alex Barker, 'US Streaming Giants Feel Squeeze of Regulation in Europe', *Financial Times*, February 8, 2022, sec. Streaming services, <https://www.ft.com/content/bf70ada3-70fd-4fcb-b4e8-638bcc053025>.

⁷⁵ Abboud and Barker.

minimum portion of their material to European films and TV series through the Audiovisual Media Services Directive (AVMSD). In order to safeguard its domestic film and television industries, France has implemented national legislation, granted producer rights to streaming services, and supported traditional television production rights. This strategy exemplifies how national-level adaptability within the EU framework may support cultural independence and empower independent innovators.

3.3. 'King Kong' – Changing Patterns of the Traditional Distribution Model

The difficulties faced by streaming platforms, however, are nothing new and date all the way back to the beginning of television. The 1950s had a significant impact of television on the movie industry, which resulted in a drop in moviegoer numbers. Cunningham and Silver state that the lessons can be learned from this historical period when movie studios had to contend with the prospect of a disruptive technology. They emphasize how crucial it is to adjust to shifting consumer expectations and how even the most potent studio-distributors can be vulnerable to disruptive technologies. "If content is king, then distribution is King Kong."⁷⁶ – is the line we read in the book. In the screen industries, where dominance and financial success have always been found, this phrase highlights the persistent significance of distribution.

Not surprisingly, the shifting structure of the film industry, particularly with the development of streaming platforms like Netflix, has generated worries about the patterns of distribution. Traditionally, producers have worked closely with distributors to ensure their films reach audiences through multiple channels, including theatrical releases. However, nowadays, the need for traditional distributors can be less important as a result of platforms like Netflix producing their own content and having direct access to a sizable subscriber base. In addition, streaming sites typically circumvent the necessity for theatrical releases, thereby limiting the function of exhibitors who traditionally present films in theatres. This change makes it more difficult to predict how film industry professionals will fit into the new environment.

The possibilities of co-productions were covered in an interview with a member of the Eurimages, the cultural support fund of the European Council. According to her, Collaboration and communication across the industry are necessary to balance the interests of the two sides. It's critical to find solutions that respect independent producers'

⁷⁶ Stuart Cunningham and Jon Silver, "Lessons from History, the Future of Television?", in *Screen Distribution and the New King Kongs of the Online World*, ed. Stuart Cunningham and Jon Silver (London: Palgrave Macmillan UK, 2013), 53–65, https://doi.org/10.1057/9781137326454_4.

contributions while taking into account the changing role of streaming platforms. The problem is the disparity in power and influence between European independent producers and streaming services. Regulating and implementing streaming platforms as direct rivals of independent creators would have far-reaching effects. In light of the predominance of streaming platforms, it raises concerns about ensuring a level playing field, fair competition, and the sustainability of independent production.

The interviewee said, that some producers are actively looking for agreements with streaming services themselves in reaction to the shifting market. Producers hope to increase the size of the world's audience for their content by taking advantage of the platforms' wide reach and resources. During the conversation, a distributor from Benelux region brought up the fact that before turning to conventional distribution channels, filmmakers frequently look into selling their movies on streaming services. Producers then work with distributors and exhibitors to reach theaters and TV networks if attempts to deal with streaming services are unsuccessful. Producers can increase their distribution options and adjust to viewers' changing preferences by using this strategy.

The characteristics of the European market and the function of producers were clarified during the interview by a representative of a distribution company from the Central Europe, who sold several movies to streamers himself. The respondent made clear that selling a film directly to Netflix might not be advantageous in terms of visibility. Independent movies have a hard time standing out in the algorithm because the site largely promotes its own material. It is doubtful that people will actively search for a certain movie on the site if it hasn't already gained fame or notoriety. The respondent focused on the significance of theatrical releases and film festivals in this context for spreading awareness and growing a fanbase. These channels offer chances for the movie to become well-known and draw attention, which will ultimately increase its chances of being successful whenever it is made accessible for streaming.

A filmmaker from the Baltic states described their experience selling their film to Netflix during the discussion. They noted that it was a fantastic chance for them because their movie

had already finished its festival run, been released to theaters, and had been seen on television. Being contacted by a representative from Netflix offered up new options as there were few other channels for distribution. The director underlined that Netflix actively pursues relationships with regional filmmakers or acquires current content because of the European Union's content quota obligation. The director was in a fortunate position as a result, as their already-produced picture was able to reach a large audience through the streaming service. It serves as an illustration of how Netflix's commitment to fulfilling regional content quotas can present beneficial chances for filmmakers, assisting them in reaching a worldwide audience and overcoming difficulties with traditional distribution.

Overall, the conventional roles and dynamics within the film industry have been challenged by the introduction of streaming platforms and the move toward digital distribution. To maintain their success and relevance in this changing industry, film professionals are on their way to change and discover new ways to cooperate, distribute, and market their work.

3.4. 'Marriage Story' – How Film Festivals Get Along with the Streaming Platforms

At the moment of writing, the Cannes Film Festival is in the spotlight of not only European but world cinema. In the context of this study, the interviews conducted revolve around the current events in European cinema, often leading to discussions on the intricate and intriguing relationships between the Cannes Film Festival and multinational streaming platforms. Given the unique opportunity to directly witness the festival, the study takes advantage of this occasion to conduct in-person interviews and gain insights into the role of streaming platforms at the 2023 Cannes International Film Festival. This allows for a firsthand exploration of the involvement and impact of streamers within the festival's context, serving the objectives of the study and providing valuable insights into this dynamic landscape.

Going back to the history, A significant and ongoing discussion among professionals, creators, and movie fans has been sparked by the inclusion of streaming services in award ceremonies for more than 5 years already. The 2017 Cannes Film Festival, which has continued to rank among the most important media events worldwide for more than 70 years, was one notable event that generated a lot of conversation. In particular for art-house film, Cannes has long been regarded as a tastemaker and trendsetter. The festival's appeal is derived from its renown as a venue for powerful screenings, where impassioned audiences express their feelings through a variety of reactions, including booing or jeering as well as standing ovations throughout the credits.

The 2017 Cannes Film Festival, however, experienced an unexpected twist when the audience started jeering before the movies even started. This response was brought on by the Netflix logo appearing on two movies: "Okja" by Bong Joon-ho and "The Meyerowitz Stories" by Noah Baumbach. Netflix joined the festival's main competition for the first time, and it was met with a torrent of criticism right away. But Netflix's involvement ended up being a step too far. The fact that Netflix's movies did not comply with French regulations, which mandate a required 36-month wait before streaming for motion pictures that do not receive a theatrical release, complicated matters. The criticism leveled against the streaming

service increased as a result.⁷⁷

The festival's director, Thierry Frémaux, quickly put into place a new rule that forbade streaming services from placing movies in competition beginning in 2018. This choice was perceived as an attempt to retain the festival's dedication to the theatrical experience as well as a direct response to Netflix's presence. Netflix's chief content officer, Ted Sarandos, expressed his disagreement with the festival's choice, saying it put distribution before cinematic excellence. Sarandos pulled all of Netflix's films from the festival, but despite not attending the 2017 Cannes Film Festival, he made sure that his agents were there to identify up-and-coming talent.⁷⁸

Five years of discussions between Netflix and Cannes have gone by without a conclusion. During this time, Netflix has demonstrated a readiness to release a few festival films in theaters across Europe. The Oscar-nominated movie *The Hand of God* which had its world premiere at the Venice Film Festival before going into theaters in Italy, is an illustration of this. Due to the cordial relationship between Cannes director Thierry Frémaux and Ted Sarandos, Spike Lee's *Da 5 Bloods* came very close to getting admitted into the Cannes Film Festival outside of the competition in 2020. The global pandemic-related cancellation of the festival's physical version, however, interfered with the plans.⁷⁹

From conducted interviews, movie experts agreed on that streaming platforms need the film festivals for prestige and increased viewership. The agreement among those who participated in the interviews was that by exhibiting their films at prestigious festivals,

⁷⁷ Alissa Wilkinson, "Netflix vs. Cannes: Why They're Fighting, What It Means for Cinema, and Who Really Loses", *Vox*, April 13, 2018, <https://www.vox.com/culture/2018/4/13/17229476/netflix-versus-cannes-ted-sarandos-thierry-fremaux-okja-meyerowitz-orson-welles-streaming-theater>.

⁷⁸ Ramin Setoodeh, "Netflix Pulls Out of Cannes Following Rule Change (EXCLUSIVE)", *Variety* (blog), April 11, 2018, <https://variety.com/2018/film/news/netflix-cannes-rule-change-ted-sarandos-interview-exclusive-1202750473/>.

⁷⁹ Elsa Keslassy, "Netflix's Cannes Comeback Won't Happen This Year (EXCLUSIVE)", *Variety* (blog), February 23, 2022, <https://variety.com/2022/film/global/cannes-netflix-blonde-2022-1235188197/>.

streaming platforms may draw in a larger audience and raise their profile in the business. As a result of the publicity acquired via festival participation, more viewers of the films on streaming services may become interested.

However, a French director offered an intriguing viewpoint, stressing the special historical position of the Cannes Film Festival. She claimed that the stringent criteria of Cannes, which clearly distinguished between traditional film and television productions, prohibited the acceptance of movies that were funded or co-financed by television. The festival was closed to films connected to television platforms due to the rigorous division between the two mediums.

However, recent news reports have suggested that this long-standing strategy is changing for the streaming platforms. The Cannes Film Festival seems to have changed its stance, suggesting a readiness to accept the changing environment of movie production and distribution. The media coverage of this move has aroused interest and anticipation over how the festival's new stance will affect the acceptance of films supported by streaming platforms in upcoming editions of Cannes and other esteemed festivals.

The Cannes Film Festival's official website has an exciting announcement as of the time of writing in May 2023: "Together with Apple Original Films, the Festival de Cannes confirms that Martin Scorsese will present in world premiere *Killers of the Flower Moon*, his new feature film."⁸⁰ This news marks an important partnership between the renowned director Martin Scorsese and the streaming service Apple Original Films. The highly anticipated international premiere of *Killers of the Flower Moon* will be held on May 20, 2023 as part of the Cannes 76 Film Festival.⁸¹

⁸⁰ "Killers of the Flower Moon by Martin Scorsese at the 76th Festival de Cannes", *Festival de Cannes*, April 3, 2023, <https://www.festival-cannes.com/en/press/press-releases/killers-of-the-flower-moon-by-martin-scorsese-at-the-76th-festival-de-cannes/>.

⁸¹ Elsa Keslassy, "Cannes Film Festival Confirms Martin Scorsese's 'Killers of the Flower Moon' Will Bow on the Croisette", *Variety* (blog), March 31, 2023, <https://variety.com/2023/film/news/martin-scorsese-killers-of-the-flower-moon-cannes-film-festival-leonardo-dicaprio-1235569905/>.

In order to guarantee that the film would have a theatrical premiere before being made available on streaming services, the festival's director, Thierry Frémaux, had interesting conversations with Apple+. A compromise was struck as a result of these discussions. While the theatrical window for other countries would be shorter, the picture would be available to the French online audience after a 17-month wait. Even though the film was eligible, the director chose to screen it outside of the competition. This deal underscored the evolving relationship between filmmakers, streaming services, and famous film festivals like Cannes in addition to enabling the movie to compete for the Palme d'Or.⁸²

In an exclusive interview with *Variety*, Thierry Frémaux, the festival director of Cannes, provided insight into the potential participation of Netflix at the 2023 Cannes Film Festival. When questioned about the streaming giant's return to the festival, Frémaux responded that even though Netflix was welcomed, they would not join the 76th festival. Ted Sarandos, Netflix's CEO, has a tremendous passion for competition, he continued, so that was another thing to mention. Netflix is willing to attend the festival without competing, but they are steadfast in their support of the theatrical window. Frémaux acknowledged his wish to persuade Netflix to take part and emphasized the advantages of their exposure on the famous platform of the festival. But he also shared Cannes' dedication to upholding theaters. At the same time, he revealed that Netflix and the function of streaming services in the creative industries are topics of ongoing conversation and are brought up by The Cannes Film Festival management board on a regular basis.⁸³

However, some important changes have already been introduced on that matter in the previous year. France has revisited its Media Chronology law. Media chronology referred to the set period of time during which a movie might be released and made accessible to the

⁸² Samantha Bergeson, "Ruben Östlund Gets Why Scorsese Doesn't Want "Killers" in Competition at Cannes: It's More of a "Risk"', *IndieWire* (blog), May 11, 2023, <https://www.indiewire.com/news/festivals/ruben-ostlund-martin-scorsese-killers-of-the-flower-moon-cannes-1234861575/>.

⁸³ Elsa Keslassy, "Cannes 2023: Thierry Fremaux on the Festival's Relationship With Hollywood, Scorsese, Netflix, Oscars and TikTok (EXCLUSIVE)", *Variety* (blog), 27 March 2023, <https://variety.com/2023/film/global/cannes-thierry-fremaux-2023-festival-1235565156/>.

general public. The most recent revision to the French law governing media chronology was made in 2009, and it specified specific times for various distribution methods. Four months after its theatrical debut, a movie may be made available on DVD, video, or paid Video on Demand services. It was permitted to air on paid TV services like France's Canal Plus after 10 months. The movie could be viewed for free on TV after 22 months and on subscription-based streaming platforms like Netflix after 36.⁸⁴ After the local TV channels' and streaming platforms becoming the part of the dialogue, the window has been shrink. According to a new agreement made in January 2022 between representatives of broadcasters and professional film organizations, the exploitation window for SVOD platforms have been shortened from 36 to 17 months, or 15 months for platforms that signed an agreement with the French film industry.⁸⁵

The only multinational streaming platform signing the document appeared to be Netflix alongside French film organizations, including the Civil Society for Authors, Directors, and Producers (L'ARP), the Film Organizations' Liaison Office (BLOC), and the Film Industries Liaison Office (BLIC). As part of the three-year agreement, Netflix agreed to invest a minimum of €30 million annually in the creation of original French-language films, or 4% of its net yearly French revenue. A diversity condition in the agreement mandates that at least 17% of pre-financing funds be used to support unique French works with budgets of €4 million or less. According to the volume rule, Netflix is also required to pre-finance a minimum of ten films annually. Netflix will therefore have exclusive access to movies for seven months starting 15 months after their theatrical debut. In accordance with the new media chronology legislation, this agreement designates Netflix as the French film industry's preferred partner.⁸⁶

⁸⁴ Sheena Scott, "The Importance Of Media Chronology For French Cinema", *Forbes*, accessed 12 May 2023, <https://www.forbes.com/sites/sheenascott/2018/11/12/the-importance-of-media-chronology-for-french-cinema/>.

⁸⁵ "Légifrance - Publications Officielles - Journal Officiel - JORF N° 0033 Du 09/02/2022", accessed 12 May 2023, https://www.legifrance.gouv.fr/download/pdf?id=9u1gzlohKBVHIGkEzAYSJ7w3yK_PLxR0hN1ut-xPoP4=.

⁸⁶ "Netflix Signs an Agreement with the French Film Industry", *Cineuropa - the best of european cinema*, February 22, 2022, <https://cineuropa.org/en/newsdetail/422194/>.

Streaming services and the European film business basically have a marriage-like connection. The coexistence between these platforms and organizations and film festivals in Europe has started with the signing of the prenuptial agreement in metaphor. This relationship's dynamics are still developing, so the future course cannot yet be fully predicted. It will be interesting to watch how streaming services integrate into the world of European film festivals and organizations as well as how they handle the obstacles and opportunities that present themselves as the marriage develops. In the years to come, the European film industry's landscape and course will be shaped by these institutions' continued presence.

3.5. ‘Wednesday’ – The Rise in Popularity of the TV Shows

As at the moment of writing, it is the second Wednesday of May, 2023, it is worth to draw attention to the current success story from Netflix, Tim Burton series, *Wednesday*. This eagerly awaited show has received widespread praise and serves as an excellent illustration of the rise in popularity of TV shows in recent years. This specific series has a number of interesting features to take into account. First of all, Tim Burton, who is largely recognized for his critically acclaimed feature films, has successfully adapted to the world of streaming. In addition, the main focus of *Wednesday* is the adored character of Wednesday Addams from the *The Addams Family*. Fans gain a new understanding of this legendary character thanks to this innovative and compelling portrayal, which also emphasizes the persistent pattern of spin-offs that profit from the success of classic films or its endearing characters. Introduction of adaptations or spin-offs based on popular film properties is a tried-and-true method of grabbing the audience's interest. A higher level of interest and excitement has been generated around *Wednesday* because to the marriage of Tim Burton's distinctive directing style with the Addams Family's enduring popularity.⁸⁷

Apparently, Netflix made a right bet on this original as the TV show broke the records in the very first week of its appearance. In its first 28 days of availability, the comic mystery series surpassed the amazing milestone of 1.02 billion total hours watched. The program soon amassed enormous popularity and attained the coveted #2 ranking among the most watched English TV shows. An impressive 150 million homes have watched the show since it first aired, tuning in for an average of 6.8 hours per household. The show also maintained its #1 ranking in 90 different nations around the world after its initial weeks of release and continues to rule the streaming market.⁸⁸

⁸⁷ Lauren Forristal, “Netflix’s “Wednesday” Is the Second Most Popular English-Language Series, with 1.02B Hours Viewed”, *TechCrunch* (blog), 17 December 2022, <https://techcrunch.com/2022/12/17/netflix-wednesday-series/>.

⁸⁸ “Top 10 Week of December 5: “Wednesday” Crosses 1 Billion Hours Viewed; “Harry & Meghan” Is Biggest Documentary Debut; “Troll” Ascends to the Top of the Most Popular List”, About Netflix, accessed 13 May 2023, <https://about.netflix.com/en/news/top-10-week-of-december-5-wednesday-crosses-1-billion-hours-viewed-harry-and>.

Despite being a US production, *Wednesday* has had a big impact on Romania's tourism industry. This is because Netflix chose to film the entire series close to Bucharest, which has attracted a lot of interest from viewers who want to travel there and see the real-life locations used in the show. In addition to the filming locations, Europe was also affected by the strategy of spin-offs and expansions.⁸⁹

The Netflix original series *Berlin*, which will debut in 2023, based on the hugely well-liked Spanish TV series *La Casa de Papel* (Money Heist). This exemplifies Netflix's dedication to using popular characters and plotlines from current shows to produce fresh and interesting material for their members while also meeting the production quota set by European Union.⁹⁰

Discussion and analysis have focused on how TV shows have grown to be a dominant force in the streaming sector. Industry experts stress the importance of high-quality TV shows in luring and keeping subscribers, according to interviews conducted for a research study. In order to increase the number of subscribers they have, streaming services are taking use of the fact that well-made programs are addictive.

As noted by Tech Crunch in one of the articles speaking about the unique content: "streaming services don't just have to figure out how to attract users—they also have to find ways to keep them."⁹¹ In the incredibly competitive streaming market, this statement emphasizes how crucial it is for streaming platforms to engage their existing customer base

⁸⁹ Jamie Fullerton, "The Real Nevermore Academy: My Gothic Pilgrimage to the Set of Netflix's *Wednesday* in Romania", *The Guardian*, April 10, 2023, sec. Travel, <https://www.theguardian.com/travel/2023/apr/10/real-nevermore-academy-gothic-pilgrimage-to-set-of-netflix-wednesday-romania>.

⁹⁰ "Love TV? Here Are the Top Ten European Series to Watch in 2023", *Euronews*, 5 January 2023, <https://www.euronews.com/culture/2023/01/05/euronews-cultures-most-anticipated-tv-series-of-2023>.

⁹¹ Lauren Forristal, "The Answer to Reducing Streaming Churn", *TechCrunch* (blog), April 23, 2022, <https://techcrunch.com/2022/04/23/super-fans-franchises-and-unique-content-could-be-the-answer-to-reducing-streaming-churn/>.

and keep them coming back.

The European industry has also seen an increase in funding and financial assistance designated exclusively for TV series as a result of the popularity of TV shows. For instance, the French filmmaker stated during the interview that the Eurimage of European Council now has a special fund of 8 million euros available, greatly increasing the budget for TV shows. Additionally, she claims that conversations concerning TV shows have gotten more lively at significant industry gatherings like Berlinale, demonstrating the medium's growing importance and acceptance in the contemporary cinema industry.

The 2017 Cannes Film Festival once again generated controversy when it included TV shows in its lineup and featured films like Jane Campion's *Top of the Lake* and David Lynch's comeback to *Twin Peaks*. Traditionalists who believed the festival should only focus on films were offended by this decision. The festival's creative director, Thierry Fremaux, tried to strike a balance by highlighting the importance of cinema as a distinct art form while also recognizing the rise in popularity of TV programs globally. The goal of Fremaux was to remain relevant in an ever-changing environment while upholding the festival's dedication to showcasing the unique craft of filmmaking. Cannes tried to negotiate this new environment without sacrificing its fundamental identity as a distinguished forum for film by acknowledging the shifting industry dynamics.⁹²

The prestigious Berlinale film festival in Germany foresaw the rise in popularity of TV series early on and adopted a proactive stance by launching the Berlinale Series Market as a component of the European Film Market (EFM) in 2012. As a central location for the trade of film rights and other types of audiovisual property, the EFM is extremely vital on a global scale. An important development in the sector is seen in the creation of the Berlinale Series

⁹² Stewart Clarke, "TV at Cannes: Inevitable, Perhaps, but Not Everyone Is Pleased", *Variety* (blog), May 21, 2017, <https://variety.com/2017/biz/news/cannes-film-festival-david-lynch-twin-peaks-1202439061/>.

Market inside the EFM, which recognizes the rising significance and popularity of international series.⁹³

The Berlinale Series Market provides a focused forum for examining the most recent developments in the TV series industry. It includes an outstanding conference schedule, screenings, and showcases. The market for the series grew even more in 2023, lasting three days with the subtitle "Shift Happens." Guy Bisson from the famous market research company Ampere Analysis gave insightful remarks during the inaugural panel, "Adapting to the Market," about the current trends influencing the worldwide series sector. Bisson emphasized the rising popularity of video-on-demand (VoD) business models and disclosed that one out of every four series productions are commissioned by streaming services.⁹⁴ These findings highlight the considerable influence streaming platforms have on the content environment.

In short, the current patterns and indications indicate that TV shows are gaining significant popularity in Europe. This surge in interest and engagement with television series reflects a growing trend triggered by streaming platforms where TV shows are becoming “the thing” to borrow the name of Wednesday Addams' loyal companion.

⁹³ 'Berlinale Series Market 2023: Shift Happens. Current developments in the world of series', Film und Medien Stiftung NRW, accessed 14 May 2023, <https://www.filmstiftung.de/en/news/berlinale-series-market-2023-shift-happens-current-developments-in-the-world-of-series/>.

⁹⁴ 'Berlinale Series Market 2023'.

Discussion

The study's findings show that film industry experts are aware of the disruption produced by streaming platforms in European cinema. The study, however, notes that neither good nor negative patterns are the only ones that can be seen. Instead, the participants believe the changes are permanent and push for adjusting to streaming platforms as a necessary component of the modern media landscape. Film professionals attempt to transform the difficulties into chances for growth and progress within the developing film business by adopting this approach. Participants in the research believe that the best course of action is to embrace streaming services' existence as a necessary component of the current zeitgeist. Streaming services have established themselves as a sizable power in the media environment, and the experts in the film industry who were questioned acknowledge this. They support embracing this tendency and adjusting to it as it develops rather than rejecting or resisting it. The study's results suggest that film industry professionals have a comprehensive grasp of the coexistence of traditional cinema and streaming platforms as the new reality. They see streaming platforms as a part of the larger media ecosystem rather than as a danger to the European film industry.

The interviewees generally agree that, like the majority of technology advancements, streaming platforms have both positive and negative characteristics. The interviewees all agree, however, that the development of streaming platforms, such as Netflix and comparable services, is an unstoppable trend. The best course of action is to become accustomed to living alongside this trend and adjusting to its development. In other words, according to the interviewees, streaming platforms are part of the contemporary zeitgeist.

Overall, every participant of our qualitative study had a minimum of 15 years' worth of experience in the European film industry. Each participant identified the rise of streaming services as a key development when asked about changes in the industry since their start. The majority of respondents used Netflix as an illustrative example of the streaming platform category and referred to it interchangeably with other platforms of a similar nature. All of them highlighted the fact that the streaming platforms are more affordable than

the movie theaters meaning that with the monthly subscription cost the audience is able to watch more movies than they would do in the movie theatres with the same price.

When asked when they first began to notice the rise of streaming services and how it affected the European film market, all participants pointed to the time just before the COVID-19 pandemic. Notably, the interviewees stressed that, despite the appearance of streaming services as the pandemic's unofficial winners, these platforms' influence had already been apparent within the film industry before the epidemic. However, the participants came to the conclusion that the pandemic helped to quicken and broaden the scope of development within the streaming platform landscape.

The democratization of the film industry stood out, according to the response we obtained from the many interviews. The amount of movies produced has significantly increased over time, increasing the quantity on the market. Technology advances have accelerated this trend by making it simpler for everyone to produce films. Today, aspiring filmmakers have access to a variety of resources and programs that help them break into the business.

For instance, the European Union alone produced 746 feature documentaries and over 1,135 fiction films in 2019.⁹⁵ However, respondents noted that because there are so many productions, not every movie can get a theatrical distribution. Traditional movie theaters have a cap on how many screenings they can hold, which creates a dearth of opportunity for many films.

Streaming services have been an effective remedy in this situation. These platforms give filmmakers a place to display their work and work on the supply and demand model. Unlike conventional theaters, streaming platforms have more film selection options because they are not physically limited. Filmmakers now have a platform to display their ideas and can

⁹⁵ "Feature Film Production by Type in the EU", *Statista*, accessed 10 May 2023, <https://www.statista.com/statistics/439216/feature-film-production-in-the-eu-by-film-type/>.

reach a larger audience thanks to this enhanced availability.

The interview subjects acknowledged the value of streaming services in bridging the audience-filmmaker divide. They pointed out how important these platforms have become in giving filmmakers who might not have otherwise had access to conventional distribution channels possibilities. As a result of this change in the industry, every filmmaker now has the opportunity to have their films watched by a large audience on a global scale.

In general, the emergence of streaming services has provided a solution to the problem of the expanding film supply by giving filmmakers a platform to share their work with audiences around the world and democratizing the film business.

The data showing how many movies went straight to streaming platforms, completely bypassing theatrical releases, can be seen as one of the pieces of evidence supporting this argument.

STRAIGHT-TO-STREAMING MOVIE PREMIERES IN 2020

**based on Reelgood U.S. catalog data on the total number of straight-to-VOD movie premieres per quarter*

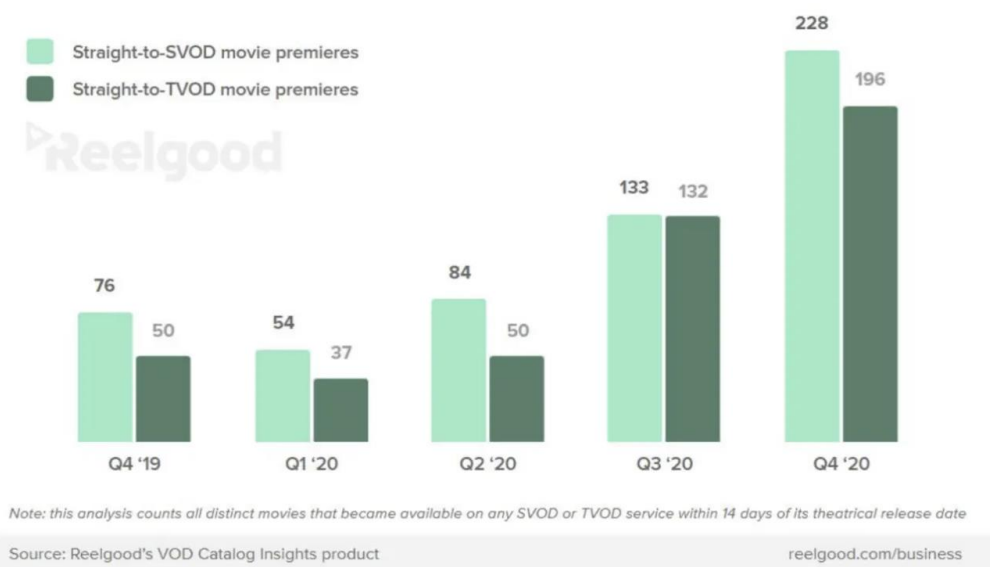


Chart. 6. Business Insider based on the data from www.reelgood.com ⁹⁶

⁹⁶ Travis Clark, "New Data Breaks down the Dramatic Increase in Movies That Went Straight to Streaming or Digital-Rental Platforms in 2020", *Business Insider*, accessed 9 May 2023, <https://www.businessinsider.com/how-many-movies-went-straight-to-streaming-release-2020-data-2021-2>.

A breakdown of the growth seen between the fourth quarters of 2019 and 2020 is shown in the accompanying graphic. Both streaming video-on-demand (SVOD) and transactional video-on-demand (TVOD), according to data from Reelgood's 2021 VOD catalog insights study, saw considerable growth in 2020. Between the fourth quarters of 2019 and 2020, streaming releases increased by three times, while TVOD releases increased by nearly four times. It's crucial to remember that Reelgood's analysis only took into account films that were made available on streaming services and digital rental sites within 14 days of their theatrical release, if they had one.⁹⁷

It is also crucial to keep in mind that the numbers shown previously are exclusive to the United States and might not fairly represent the situation in the European Union. The information mostly refers to the time during the pandemic when numerous movie theaters were shut down because of rules and regulations. Distinct regions may experience distinct effects of the pandemic on the film business and the move to streaming platforms. During the conversations, one of the distributors from Austria brought up the fact that when the pandemic struck, streaming services became a last resort for filmmakers. Filmmakers had few choices for showcasing their finished products because festivals and cinema premieres were either cancelled or delayed. Due to this unexpected reliance on streaming services, movies were able to find a different method of distribution and increase their visibility in uncertain times.

The results of the study also show that the existence of streaming platforms within the modern media ecosystem has prompted a number of important occurrences and changes in the European film industry. These ground-breaking incidents have upended long-standing conventions and forced the sector to adjust and face fresh difficulties.

For example, the traditional movie theatre experience being challenged as one of the

⁹⁷ Travis Clark, "New Data Breaks down the Dramatic Increase in Movies That Went Straight to Streaming or Digital-Rental Platforms in 2020", *Business Insider*, accessed 9 May 2023, <https://www.businessinsider.com/how-many-movies-went-straight-to-streaming-release-2020-data-2021-2>.

significant shifts that have occurred. As streaming platforms have grown in popularity, viewers now have easier access to movies and may watch them in the convenience of their own homes. This change has caused movie theatres' function and importance to be re-examined, pushing business stakeholders to look into fresh approaches to draw in and keep customers.

The research also demonstrates how the traditional film value chain has been impacted by streaming services. The industry's former pillars of distribution and display have come under scrutiny. The way movies are distributed and consumed has changed as a result of the direct-to-streaming distribution strategy's increasing popularity. Filmmakers and other industry experts have been forced to reconsider their approaches and look for new ways to connect with consumers as a result of this shift.

Furthermore, the results imply that streaming platforms have changed the way material is produced. High-caliber original TV series made by streaming services are now common and have significant cultural impact. By extending the creative environment and providing new options for filmmakers to experiment with other formats and narrative structures, this change has challenged the idea that film is the apex of storytelling.

Taking all the findings into account, the study goes back to study's main research question: how movie streaming services affect the European film industry in the digital era and answers the sub-questions one by one:

- How has streaming impacted the filmmaking process from development to distribution and exhibition and what are the implications for industry stakeholders?

The entire filmmaking process, from development to distribution and exhibition, has been significantly impacted by streaming. The democratization of the film business is one important result. Streaming systems can accommodate a large number of movies, in contrast to traditional movie theatres that have a restricted number of screenings available. More

people now have the chance to pursue careers as filmmakers thanks to the improved accessibility, as they can now share their work with a large audience via streaming services.

The popularity of TV shows has also increased as a result of streaming. This transition has affected how productions are developed and financed. Longer narrative formats, like television series, can now get greater funding thanks to streaming companies' significant investments in original content. As a result, there are now more options for authors and other creators to craft complex and compelling stories.

The functions of distribution, exhibition, and exploitation within the industry are likely to be those where streaming has the biggest impact. Movies used to undergo a distribution process that involved a theatrical debut before becoming available in other forms. However, direct movie releases on streaming platforms have shattered this business paradigm. The conventional function of distributors and exhibitors is put to the test by this change.

The position of the exhibitor, who normally represents movie theatres, is practically dissolved when movies bypass theatrical releases and go straight to streaming sites. There is no longer a requirement for the movie to be shown in a real theatre. Instead, viewers can view the content in the comfort of their own homes, which has a negative impact on both patronage and income at movie theatres. Stakeholders involved in the exhibition side of the business, like theatre owners and operators, are consequently up against formidable obstacles.

Additionally, distribution's function has been hampered. For many films and TV series, streaming services have replaced traditional distribution channels. As a result, the conventional distribution routes have changed, giving content producers a more direct path to their target viewers. Traditional distributors have difficulties as a result of this transformation as they may get marginalised in the brand-new digital environment.

Overall, streaming has changed the way movies are made, enabling greater diversity, changing how TV shows are produced, and upending the conventional roles of distribution and presentation. The effects on key industry players are significant. Filmmakers now have more platforms to share their work, but they must also deal with the complexity of streaming services and adjust to the shifting nature of distribution. Distributors and exhibitors need to rethink how they operate and update their business strategies for the digital age. The industry as a whole is going through substantial change, and stakeholders must embrace innovation and adjust to the changing environment if they want to succeed in the streaming era.

- Are streaming services regarded as a disruptive innovation to the European film industry?

According to the study's findings, streaming services might be viewed as a disruptive innovation to the European film industry. First and foremost, they provide a more affordable option than movie theaters, making it easier for viewers to see movies in the comfort of their own homes. Second, streaming services give filmmakers who might not otherwise have the chance to exhibit their work in conventional movie theaters a distribution route. The rivalry for theater screenings has becoming tougher as more films are being produced around Europe. These filmmakers have another way to present their work and connect with a larger audience thanks to streaming platforms.

Additionally, streaming services accommodate the audience's wide range of tastes. For instance, the survey emphasized the audience's preference for Arabian films, which is underrepresented in nearby cinemas, among French viewers. By offering a huge selection of movies and TV shows, streaming services may cater to specialized tastes and act as a platform for material that might not otherwise see widespread theatrical distribution.

These results are consistent with how the theoretical framework defines disruption. Disruptive innovations frequently target niche or low-end market sectors, providing substitutes that are more widely available, more reasonably priced, and more geared toward underserved market niches. These requirements are met by streaming platforms, which give

filmmakers an affordable and open platform and cater to a variety of audience tastes.

Streaming platforms have not only broadened their markets of focus but also started to take on the existing market hegemony. They now create material that not only appeals to a larger audience but also contends at renowned festivals that were formerly controlled by theatrical releases. With this strategy, streaming platforms may expand their user bases while preserving the benefits that made them popular in the first place, like ease of use, low cost, and a huge selection of available material.

Because they upend the ingrained traits of the European movie business, streaming platforms serve as an excellent example of a key feature of the disruptive innovation theory. According to this theory, disruptors not only target niche or low-end market segments but also steadily intrude upon the regions of established competitors, causing radical changes in the industry. Policymakers' engagement in this shift is further supported by their efforts to enact new rules and laws that will handle the interplay between streaming services and the traditional film business. The fact that policymaking is mentioned in this context demonstrates the huge size, extent, and significance of the disruption and the ongoing change within the industry.

Reduced theatrical release windows, when movies have a shorter exclusive run in theaters before being streamable, is one of the changes and effect of this transition. This move contradicts the long-standing practice of giving theatrical screenings priority and upends the conventional distribution paradigm. The popularity of TV series on streaming services has grown, which contributes to the alteration of audience tastes and consumption patterns.

Streaming platforms adhere to another element of the disruptive innovation theory by attacking the well-established characteristics of the European film business and conventional distribution mechanisms. They progressively change the way the film industry functions, broaden their audience, and change audience behavior, which has an effect on the entire landscape of the industry.

According to Christensen et al, "the disruption is the process."⁹⁸ This viewpoint highlights the continuing nature of disruption, making ongoing research necessary to comprehend its effects on the European film market. The quick-paced digital environment emphasizes the necessity for additional research even more. Current events will have a significant impact on how the European film industry develops because the market is undergoing significant transformation. As a result, it is essential to do research that takes into consideration the changing digital landscape and its implications for the sector. This study can provide insight into the viability of disruptive innovations, the function of developing technologies, and the shifting relationships between streaming services and conventional movie theaters. Researchers who keep an eye on these changes can offer insightful analysis that shapes the course of the European film market in the future.

- In response to this disruption, what are the knock-on effects caused by the rise of the streaming platforms?

The emergence of streaming platforms has significantly disrupted the film industry and resulted in a number of linked repercussions. The introduction of laws and restrictions has been a well-known response to the expanding influence of streaming services. In addition to the AVMSD framework of the European Union, which mandates a specific proportion of European content on streaming services, individual nations have also taken action to safeguard their domestic producers. For instance, France has federal regulations in place to protect its producers, and other member states of the European Union have imitated this.

Traditional film distribution methods are changing as a result of the change brought on by streaming platforms. In order to adjust to the shifting environment, some nations have shortened the window release period, enabling streaming services to compete alongside traditional theatres at prestigious film festivals. This modification acknowledges the altering dynamics of distribution and aims to give streaming platforms chances to promote their

⁹⁸ Clayton M Christensen, Michael Raynor, and Rory McDonald, "What Is Disruptive Innovation?", *Harvard Business Review*, 2015.

content on esteemed platforms. An illustration of this trend is Netflix's exclusive agreement with a 15-month timeframe for distribution, which demonstrates how streaming and festival participation have converged.

Concerns regarding US-based platforms' dominance and their effects on the European film market have also been prompted by the growth of streaming services. There is a worry that the local film industry and European content could find it difficult to sustain their presence and cultural relevance in the face of international competition as these platforms become more popular and grow their user populations. There have been discussions and arguments that have centered on maintaining cultural variety and guaranteeing parity for European productions.

These connected consequences show how the rise of streaming services in the film business has had far-reaching effects. They include responses to regulations, modifications to distribution procedures, worries about market domination, and changes in preferred filming locations. These consequences will likely alter the future landscape of the business and have an impact on the strategy of many stakeholders as the film industry continues to adjust to the disruptive influence of streaming platforms.

Conclusion

In conclusion, the study's findings show that professionals in the film business are aware of the disruptive effects that streaming services are having on European cinema. Participants acknowledge that these alterations are irreversible and urge acceptance of streaming platforms as a necessary component of the contemporary media environment rather than seeing the changes as exclusively beneficial or negative. By adopting this strategy, film professionals work to turn challenges into chances for development and advancement within the changing film business. They favor adjusting to their development rather than resisting or rejecting it because they see streaming services as an essential component of the contemporary zeitgeist.

The study also showed that the introduction of streaming platforms has resulted in a number of noteworthy developments and changes in the European film industry. These historic occurrences have put the conventional moviegoing experience under scrutiny, defied US hegemony, upended the conventional film value chain, and altered content and production methods.

The study's findings also line up with the idea of disruptive innovation because streaming platforms provide more accessible and affordable alternatives to movie theaters, accommodate a wide range of audience preferences, and upend traditional market norms. Streaming platforms are gradually altering the landscape of the industry by broadening their emphasis and participating in prestigious festivals. Additionally, they challenge traditional distribution methods, such as condensed theatrical release periods, and have an impact on audience behavior and consumption trends, especially given the growing appeal of streaming original TV shows.

The study emphasizes the necessity for ongoing research to comprehend streaming platforms' ongoing disruptive character and how it affects the European film market. The necessity of understanding the shifting environment and its effects on the sector is

highlighted by the quick-paced nature of the digital ecosystem. Such studies can shed light on the potential for disruptive developments, the function of emerging technologies, and the changing dynamic between streaming services and the conventional movie industry.

Researchers can help to shape the future of the European film market by keeping an eye on these trends and providing insightful analyses.

It's crucial to recognize, though, that this research may have certain limitations. The assertion makes the case that conducting additional interviews and investigations across the entire EU could improve the accuracy and breadth of the study. Researchers can develop a more thorough grasp of the regional variations and issues within the film market by enlarging the scope and combining varied perspectives from all over Europe.

Last but not least, film industry executives acknowledge the disruptive potential of streaming services, but do not see them as a permanent threat to the current value chain. This viewpoint is consistent with the study's opening, which highlighted Reed Hastings' astute comment about not foreseeing the emergence of the slang phrase "Netflix and Chill." In a similar spirit, one of the respondents said sarcastically that the experience of going to the movies in a theater still has value and that the idea of "Netflix and Chill" only applies after the first date at the theater. This joking observation highlights the cohabitation of traditional cinema and streaming services, emphasizing that they can enhance one another rather than being seen as competitors. It further demonstrates the sophisticated understanding of experts in the film industry, who are aware of the dynamics of changing audience preferences and the function that each platform performs in the current media landscape.

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Appendix 1:

The initial questionnaire of the study:

1. Can you start by telling us a bit about yourself and how you got started in the film business?
2. Which European countries have you worked in, and how has the film business developed in those regions over the years?
3. Can you share some of the key milestones in the history of European cinema, and how they have impacted the industry?
4. What is the current state of the film industry, both globally and within Europe?
5. Can you walk us through the business model of the film industry, from financing to distribution?
6. In recent years, streaming platforms like Netflix have become increasingly important players in the movie industry. How do you think they are shaping the business?
7. When did streaming platforms first become a major consideration for moviemakers, and how have they impacted the industry since then?
8. Specifically, how do you think streaming platforms are affecting the European movie industry?
9. How have you personally adapted to the rise of streaming platforms, and what advice would you give to others in the industry?
10. Do you believe that streaming platforms are fundamentally changing the traditional business model of the film industry, and if so, when did this shift begin?
11. What are some of the unique challenges and opportunities that European filmmakers face in an increasingly streaming-dominated landscape?
12. Looking to the future, what are your predictions for the evolution of the film industry over the next decade?
13. Finally, what advice would you give to aspiring filmmakers looking to make their mark in this rapidly evolving industry?

Appendix 2.

The table showcasing the roles, interviewees of the study has fulfilled at one time or another

Interviewee	directing	producing	distributing	exhibiting	polycymaking
1		+	+	+	+
2			+	+	
3	+	+	+		
4		+	+	+	
5	+	+	+		+
6	+	+	+		+
7	+	+			
8		+	+		+