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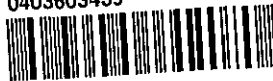
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Hollywood Synergy

By

Nathan Marc Vaughan


A Doctoral Thesis

Submitted in Partial Fulfillment of the Requirements
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***This thesis is dedicated to my parents -
Roger and Janice***

**“The true value of the film business is not the profits
generated by the film, but the synergies
that movies provide.”**

Martin Dale
(1997 : 25)

“If you don’t have synergy, you have nothing”

Michael Eisner
(quoted in Allen, 1999 : 121)

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Abstract

This thesis is a theoretically informed and empirical analysis of synergistic processes within Hollywood production and circulation. Drawing on the distinction between economic and cultural synergy, the thesis proposes an argument concerning the homology and interaction of these modes and how they have developed from an intensive to an extensive form.

The study combines theoretical perspectives from the political economy of culture and cultural analysis with film studies. It also draws upon the sociology of organisations and notes how synergy has been somewhat neglected in management theory as well as in media studies.

The development of Hollywood synergy from the 1930s until the present is traced in three prototypical case studies of major film projects: *Snow White and the Seven Dwarfs*; the successive *Star Wars* trilogies; and the *Lord of the Rings* trilogy. This comparative case study approach focuses on key moments of how the circuit of culture has developed historically, understood within the terms of a multidimensional analysis. Through detailed consideration of exemplary strategies, it is suggested that present-day Hollywood represents not so much a post-Fordist mode of production and circulation but, instead, flexible neo-Fordism.

Based on the in-depth analysis of the chosen prototypical case studies, a typology is proposed that conceptualises how synergy is organised and deployed variously within cultural production and circulation.

Economic synergy, it is argued, operates both at the level of the firm and at the level of the industry. In addition to synergy at the level of the firm via flexible business networks and inter-firm networking, Hollywood functions holistically as an industry and increasingly in co-ordination with cultural industries in general. In effect, such economic synergy is both intensive – that is, at the level of the firm – and extensive – that is, at the level of the industry and inter-industry relations.

Additionally, there is a discernible homology between economic synergy and cultural synergy insofar as the meanings of cultural properties are exploited intensively and extensively. Intertextuality is produced at the level of the firm across various platforms and also much more diffusely across the cultural field in general at the level of the industry.

Key Words – Cultural Analysis, Cultural Synergy, Economic Synergy, Film Studies, Flexible Neo-Fordism, Hollywood, Intertextuality, Media Studies, Political Economy.

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- 'Synergy in Hollywood', presented at CaMARG, Department of Social Sciences Research Seminar, May 2004, Loughborough University.

Nathan Vaughan
Loughborough, September 2006.

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Introduction

We live in a world that is dominated by American cultural production, not just in terms of the symbolic products we buy, but also in the way that national cultures and identities are being eroded through the ideologies created by the overwhelming domination of American culture around the globe. By the late 1990s American cinema accounted for the majority of film properties within the world market (Buscombe, 2003). Such is Hollywood's output, that in 2001 and 2002 the top twenty films in the world were from the USA (Miller *et al*, 2005). In 2002, the Hollywood box office increased by 13.2 percent, the largest percentage growth for twenty years (European Audiovisual Observatory, 2003 : 4). In addition to this, it has been estimated that US companies generate almost \$11 billion by exporting film, and that Hollywood itself received close to \$14 billion in export revenue in 2004 (Miller *et al*, 2005).

New technologies, such as DVD, continue to generate further profits and marketing possibilities for Hollywood. With the growth of these new technologies and the continued trend of incorporation that is currently dominating the American culture industry, the authority and power of Hollywood is only set to increase. Yet while the statistical backdrop of the American film industry serves to concretise Hollywood's dominance, there currently exists less commentary on exactly how this has been achieved and sustained.

To overcome this problem Janet Wasko (2003) has argued that a deeper understanding of the way the industry actually works is seriously needed. For Wasko, this means that a more critical examination of the mechanics of the industry are required, in addition to questions of how film texts, genres and audiences are used in the development of business strategies. For Wasko, many books that do describe the film production and marketing process do so in an almost 'celebratory' manner. For her, the authors of these books rarely step back 'to look at the industry critically within a more general economic, political and social context' (2003 : 1).

In the vast body of film and media texts that focus on Hollywood, it is usually the properties themselves coupled with their aesthetic status and overall desirability that has attracted the most interest and discussion. However, it is the process by which these properties come into existence, and then the way in which they have been vigorously marketed and promoted, that accounts, in part, for Hollywood's dominance of the global cultural market.

It is because of the unpredictable nature of producing cultural properties that Hollywood has devised new organisational and business strategies to help overcome the risky, and often costly, process of making money from creative labour. It is through these strategies that Hollywood has increasingly pursued diversification of

production - turning properties into products. The creation of these additional markets in order to produce merchandising or other means of maximising revenue (home video, DVD etc.) has contributed to Hollywood's current dominance.

This process of diversification and corporate coordination has a name: *synergy*. While many introductory film and media text books make a passing mention of this process, none have provided a detailed and critical understanding of how it actually works. The process of synergy is most often defined as 'the cooperative and beneficial interaction of parts of a merged corporation' (Beckwith, 2006 : 154). However, seeing as the process is intrinsic in shaping not only cultural business, but also the products and the textual meanings they create, then there must be significantly more to the concept than this. For Louis Beckwith, it is a concept 'that many people [just] can't define, exactly, but they know how to use it in a sentence and it sounds really sexy and convincing, especially when advocating a merger, partnership, or acquisition' (ibid.). It has become a catchword to describe a process that underpins the key business strategies of large multimedia corporations. The process of synergy has become the foundation upon which these corporations are built.

This thesis is a systematic, theoretically informed and empirical examination of the development of synergistic strategies within Hollywood. To achieve this, the thesis analyses several prototypical case studies, from a multidimensional perspective, in order to understand more fully the ontological complexity of sophisticated synergistic techniques.

In approaching the study of synergy the thesis has several main aims. These can be summarised as:

- To apply a rigorous method of cultural analysis in accounting for synergistic strategies within the variations of cultural production through the use of a multiple *case study design which utilises a multidimensional method*.
- To establish a detailed working typology of synergy.
- To identify and compare how cultural producers take advantage of synergy in their business strategies and marketing practices, and how these reduce cultural and economic risk.
- To explore key aspects of production, circulation and consumption while connecting cultural analysis to issues of cultural policy and how this affects individuals and society in general, and consumer choice in particular.

- To connect cultural interpretation to a critical political economy of culture and the culture industries.
- To determine how cultural producers develop new consumer markets through synergistic strategies and the implications this has for consumers and society.
- To enhance understanding of the complexities of synergy within the production and life stages of a cultural product.

In turn, these general aims can be refined further through a set of research questions that will help guide the examination of synergy, and provide the foundations upon which the arguments contained in the thesis can be based. These research questions can be summarised as:

- What is synergy?
- How do cultural producers incorporate synergistic strategies in the production and marketing of properties?
- How do synergistic strategies reduce cultural and economic risk?
- Does synergy operate at the level of the industry as well as the firm?
- How can the current production process within Hollywood be described as a result of deploying synergistic strategies?
- Do synergistic strategies reduce the quality and diversity of cultural products?
- How do synergistic strategies affect the lives of cultural workers and symbol creators?
- What impact does the synergistic process have for authorship and creativity?
- How does synergy affect the narrative and imagery of cultural properties through forms of intertextuality and exploited through marketing strategies and promotions?
- How has synergy facilitated the globalisation of labour processes, and what does this mean for local and national economies?

The thesis is divided into three parts. The first part focuses on the methodology that underpins the analytical framework of the thesis. The chapter, *Hollywood and the Circuit of Culture*, sets out the rationale for the project along with making a general case for how the process of synergy will be examined throughout the thesis. In discussing the principle methodology to be used, the chapter proposes that by critically integrating the circuit of culture through a multidimensional approach, the study of cultural texts are not separated from their actual mode of production and circulation. According to Douglas Kellner (1997 : 34) such an inquiry involves, first, the

study of the production and political economy of culture; second, textual analysis and cultural critique; and third, the study of audience reception and how cultural products are used and regulated. It is argued that by analysing the process of synergy in this original way, then a multi-dimensional approach will help explain why Hollywood is dominated by numerous issues such as: genres and sub-genres; sequelmania; the crossover of popular films into television series; conglomeration; globalisation and runaway production.

The opening chapter also introduces the idea that contemporary film production within America is perhaps not an example of post-Fordism but rather *neo*-Fordism. Following this, the choice of case studies are introduced and justified as being prototypical of synergistic development within Hollywood from the 1930s until present. An account of the case study design and the advantages of using a multiple case strategy is provided, before ending with a discussion of how the validity of secondary sources can be increased.

The second part of the thesis examines particular moments of Hollywood's history by considering the chosen prototypical cases in more detail. The second chapter, *Snow White and the Seven Dwarfs*, provides an overview of the main ways through which synergy in its two main parts (economic and cultural) are developed and used within the production and circulation of a property under Fordist strategies. As Chapter One argues, such an approach allows the examination of synergy to take into account variations within Hollywood production and thus results in a more rigorous examination of the synergistic process.

The third chapter, *Star Wars*, then takes and develops the unfolding arguments and examination of the synergistic process under a post-Fordist regime of accumulation. It discusses the history and 'vision' of Lucasfilm as a company that is very much a product of the 'renaissance' that characterises contemporary Hollywood. It also examines the early relationship that existed between the growing corporate Hollywood of the late 1970s and the emergence of what would soon become the blockbuster property. This focuses on the distribution and exhibition contracts between Lucasfilm and Fox. The chapter then considers the creation of nostalgia through the implementation of various 'extensive' cultural synergistic strategies. This provides an opportunity to examine how *Star Wars* has recycled many traditional myth structures to create a 'new' modern myth. Such an analysis continues the argument that this process is not new, with the previous chapter showing how Walt Disney also appropriated classical stories and myths to his own 'vision'. Lucas' role as a creative agent is then considered in light of how he deploys synergistic strategies. Questions of

authorship are once again raised by looking at how much *Star Wars* exhibits Lucas' own creative vision and contribution. From this, a way of considering the role of auteur under the deployment of synergistic strategies is further developed. The chapter concludes with the various ways Lucas has not only used existing synergistic marketing strategies, but how he has developed them through new forms of promotion and marketing. The final section: 'Regulation', examines how audience reception is regulated by Lucas to protect copyrights on a global basis against various forms of piracy.

The fourth and final case study chapter, *Lord of the Rings*, highlights the generalities of the process that have been examined in detail during the preceding chapters. Such a discussion concretises the arguments and observations already made. In addition, this chapter further situates synergy more securely within the broader field of corporate action and business strategies to ensure that it is also consistent at both the illustrative and conceptual levels.

The chapter examines how the franchise was produced, while developing the argument that production strategies incorporated elements of post-Fordist flexible production with routinised jobs that are characteristic of Fordist production strategies more generally. This allows for a more detailed consideration of neo-Fordism as a more accurate description of production strategies. Peter Jackson's creative contribution are considered, and new ways of approaching the subject of auteur that were proposed in Chapter Three are further developed and used to account for Jackson's role. The chapter further considers how nostalgia and mythology are played out within the trilogy through further examples of cultural synergistic strategies, before examining how synergy was used to develop new electronic marketing techniques.

The way the films were used to create a national identity for New Zealand, by being an 'exclusive' New Zealand property, is also discussed. This 'identity', it is argued, is further strengthened by linking the locations of *Lord of the Rings* with a national tourist campaign that was developed in conjunction with the films. The chapter then analyses how this was exploited through various cultural synergistic strategies that established links between the Middle-earth of the saga with present day New Zealand. Such an example shows how the process of synergy can not only work at the level of the industry, but also *between* industries.

It is also argued how countries, such as New Zealand, try to maintain a national film identity even when they are used extensively for Hollywood production. The chapter concludes with a discussion of reception by arguing how the Internet was used to 'authenticate' the films by targeting Tolkien enthusiasts.

In the final part of the thesis, Generalisations, Chapter Five considers the development of Hollywood synergy. Here, the very notion of synergy is interrogated and a general case is made for the importance that the process has in furthering our understanding of how Hollywood operates. Based on the case studies, this chapter also introduces a typology that conceptualises how the synergistic process works, while developing its two dimensions of 'economic' and 'cultural' to illustrate how they have an *interrelating and homologous relationship*. It further proposes how synergy can operate at both the level of the firm and the industry through *intensive* and *extensive* forms of exploitation.

Finally, the Conclusion summarises the main lines of argument that have been made throughout the thesis by drawing together all the various strands to establish a fuller understanding of how the *aims of the thesis*, and *research questions* outlined earlier, have been realised and answered. The Conclusion ends by briefly considering how the thesis has opened up a set of issues that have broader significance for modern business and communications, and the possibilities this may have for future work.

Methodology

CHAPTER ONE

Hollywood and the Circuit of Culture

Introduction

Raymond Williams (1962) once wrote that it matters greatly where you start. From the point-of-view of cultural analysis this is not always as easy as it sounds. While a wide range of disciplines within the humanities and social sciences are often drawn on within cultural research, it is still quite difficult to apply the question of 'how'. To this end it remains problematic to decide what cultural analysis amounts to methodologically.

Very few attempts have been made to chart the various methods that underpin the subject. Texts such as Pertti Alasuutari's *Researching Culture* (1995) and Jim McGuigan's edited collection *Cultural Methodologies* (1997a), are among some of the exceptions to this. Angela McRobbie's *The Uses of Cultural Studies* (2005) is a more recent contribution that also tries to fill this void. However, these remain rare exceptions in an otherwise flooded field awash with general research textbooks that try to provide an account of what cultural analysis actually is, such as Nick Couldry's *Inside Culture* (2000).

McGuigan (1997a : 2) argues that method should not be separated from theory as many 'methodology' textbooks appear to do. Method, he argues, is primarily about procedure; while methodology is concerned with the conceptual basis upon which the research is based. His point, then, is that method should serve the aims of the research, and not the other way around. While McGuigan considers that it is 'not unusual to make up the method as you go along' (ibid.) it is still very much desirable to have a clear conceptualisation of what method is going to be used, and more importantly, how one is going to use it.

This chapter sets out the rationale for the thesis and then discusses the principal methodology, which utilises a multi-dimensional approach in relation with the circuit of culture.

Douglas Kellner (1992, 1995a, 1995b, 1997a, 1997b) argues that this approach sees cultural analysis being reconnected to the political economy of the cultural industries in order to fully integrate business with textual / audience analysis. What is central to this model is that studies of identification, reception and signification cannot solely explain the operations of the global cultural industries. Ironically, while Stuart Hall argues that 'the structure of ownership and control . . . is a necessary starting point' (1986 : 11), he has never done this himself. Incorporating such factors into a study of Hollywood helps consider how business and marketing strategies, in addition to politics and power, affect the production of cultural properties.

As this chapter will show, Kellner's model is a straightforward one. It starts with examining the production and political economy of culture, before moving on to issues of textual analysis and critique while providing an account of audience reception and the use of cultural properties within this area more generally. By placing the study of synergy within this model then a multi-dimensional approach will help explain why Hollywood is dominated by issues such as: genres and sub-genres; sequelmania; the crossover of popular films into television series, and other associated channels of distribution; conglomeration; globalisation; runaway production, and an explanation as to why properties often consist of a certain homogeneity with consistent ideological markers (Kellner, 1997a).

The third section starts by rethinking post-Fordism within Hollywood, while proposing that contemporary film production within America is perhaps not an example of post-Fordism (Smith, 1998), but rather *neo*-Fordism. Following this, the chosen case studies are introduced and justified as being prototypical of synergistic development within Hollywood from the 1930s until the present, while outlining the importance of marketing (concentrating on the role of merchandising) in the deployment of synergistic strategies.

The final section then discusses problems of access and the general reliance on secondary sources within cultural analysis while offering suggestions for increasing the validity obtained from such publications.

Aims of the Thesis

The thesis aims to provide a systematic, theoretically informed and empirical examination of the development of synergistic strategies within Hollywood. To achieve this the thesis analyses several prototypical case studies, from a multidimensional perspective, in order to understand more fully the ontological complexity of sophisticated synergistic techniques.

Drawing on the work of Janet Wasko (1994) who originally made the distinction between 'economic' and 'cultural' synergy, this thesis departs from her original concept in a significant way by aiming to explore the shift from an intensive (at the level of the firm) to a more extensive (at the level of the industry) mode of deploying synergistic strategies. By approaching the study of synergy in this way, then the relationship between culture and economy can be better appreciated.

At its most basic level, Wasko's definition of economic synergy refers to the integration and co-ordination of various functions *within* a firm. In this sense, synergy is seen as being 'good business' and it is this view that most commentators and

introductory text books appear to use when discussing synergistic processes. However, this thesis aims to show that synergy is much more than this. As it will be illustrated through the examination of several prototypical cases studies, consumer sovereignty and marketing have grown significantly since the mid 1970s. It may be possible to argue that this is a process that also works at the level of the industry and not just at the level of the specific co-ordinating business network or firm. For example, the process of market research and audience testing illustrates how marketing in general plays back into production and is privileged within corporate strategies.

What is required is a deeper understanding of how economic / corporate synergy has developed historically. It is for this reason why the chosen case studies range from the 1930s until the present day. Apart from being considered the best examples of their respected periods of production, the diachronic dimension they provide to the study helps evaluate the process of synergy by placing its evolution within the wider development of economic and social change. This has significant relevance in helping to analyse one of the central arguments that runs throughout the thesis, whether current production and consumption strategies can be seen as being either post or neo-Fordist.

However, in isolation the argument of economic synergy at the level of the industry taking place solely through the co-operation of different companies, misses the totality of 'Hollywood' as a field of practices that has always been promoted by the American government via the Motion Picture Association (MPA). This is another way in which the process of economic synergy can be argued to extensively operate at the level of the industry. Such a distinction will further help to understand the issues behind Hollywood's global strength. It accounts for, and provides an examination of, the relationship that exists between Hollywood and Los Angeles, unions, banks and the organisation of labour. It is this form of economic synergy that the thesis refers to when using the term 'Hollywood' in a collective sense.

Wasko (1994) further argues that the principle of economic synergy can also be extended into popular culture to create what she calls 'cultural' synergy. For her, this is seen in the various ways that a conglomerate (such as Disney) intensively exploits a cultural property across its many different divisions (such as theme parks, television, radio and so forth). Once again, this can be argued to operate at the level of the specific co-ordinating business network or firm. Interestingly though, Wasko also discusses cultural synergy as 'overlapping cultural images and ideas'. According to such a definition, read broadly, this would appear to indicate that the process of

cultural synergy is not just confined to a property. Interestingly, this would be symmetrical to the earlier claim that there exists a level of economic synergy beyond the discrete corporation. Such an extensive use of cultural synergy takes the process into the territory of a diffuse intertextuality; not just telling the same story in a comic as well as in a film.

This thesis aims to explore these issues and concepts in relation to several empirically detailed prototypical case studies, to not only understand more fully the complexity of developing synergistic strategies, but to also (in the final chapter) offer a conceptualisation of the process by means of a typology.

Placing the analysis of the prototypical cases within a cultural circuit is perhaps one of the best ways of answering questions concerned with signification. Such questions are important when determining the extent to which synergy is intensively, and extensively, exploited through marketing and merchandising.

While the general framework which the circuit offers will underpin the analytical structure of the case studies, it should be noted that it is not always necessary to complete it. In many cases, such an approach would result in far more data than could be possibly analysed. However, a 'commitment to the study of culture in circulation, on ontological and methodological grounds, is a vital check on various kinds of partiality' (McGuigan, 2004 : 14).

The process through which these aims are to be analysed throughout the thesis will now be discussed, and justified, in more detail.

Multi-dimensional Analysis and the Circuit of Culture

Studies of film tend to exist on the level of the business (e.g.s. Aksoy and Robins, 1992; Christopherson and Storper, 1986, 1989; Prindle, 1993) or the cultural (e.g.s Harris and Alexander, 1998; Kellner, 1991; Kellner and Ryan, 1990; Wasko *et al* 2001;). Rarely, if ever, are the two brought together to provide a rigorous and critical cultural analysis of the American film industry.

Writing in the late 1970s, Thomas Guback (1978) asked whether the overwhelming focus on criticism and theory was to the detriment of studies that approached cinema as an economic institution. Such an argument is most desirable if we are to appreciate how the process of economic synergy operates through networks of production, conglomeration, globalisation and shifts in power relations more generally within corporate ownership, at both the levels of the firm and industry. However, it is also desirable to engage with issues of: [inter]textual and ideological analysis, marketing, modes of consumption and the exploitation of new consumer and

ancillary markets. Such areas provide a means of analysing the cultural dimension of the synergistic process.

Approaches to the study of economic synergy witnesses the use of political economic theories that draw liberally from several disciplines such as: history, sociology and political science. It is concerned with power and distribution of economic resources, in addition to examining who owns and controls the corporations that produce and mediate cultural production. These questions allow for an examination of how these corporations shape culture. Political economy then, is 'the study of the social relations, particularly power relations, that mutually constitute the production, distribution and consumption of resources' (Mosco, 1996 : 25). This definition encapsulates the aims of economic synergistic strategies which are about corporate survival and control.

Golding and Murdock (2000) distinguish critical political economy from 'normal' economics on the grounds that it is holistic, historical, centrally concerned with the balance between capitalist enterprise and public intervention, and that it 'goes beyond technical issues of efficiency to engage with basic moral questions of justice, equity and the public good' (p.73). They also point out that four historical processes are central to a critical political economy of culture: 'the growth of the media; the extension of corporate reach; commodification, and the changing role of state and government intervention' (p. 74).

Wasko (2003, 2005) outlines several further key distinctions of political economy that are relevant to studies of Hollywood. These include: 'the recognition and critique of the uneven distribution of wealth represented by the industry, the attention paid to labour issues, the alternatives to commercial film, and the attempts to challenge the industry rather than accept the status quo' (2005 : 10).

However, caution should be taken over using this approach in isolation. A criticism often made within cultural analysis generally of research that is reliant on political economic theories is their inherent reductionism. Hollywood is a complex web of different production networks and to attribute how these work, or even how cultural properties such as film and television operate, to a single economic method is limiting. Such studies fail to take into account cultural factors such as: representation; identity; marketing; textuality and pleasure.

Apart from arguing that ordinary, everyday culture should be taken seriously, approaches to cultural analysis tackle issues connected with how: aesthetic value is related to cultural power; the way through which texts generate meaning and how this is circulated within society; how these texts create identities and how they are often

ideologically coded. Such questions employ a range of theoretical approaches such as textual analysis and reception studies.

It is important that examinations of cultural production should not marginalise each approach (political economic and cultural analytic), but combine them in a manner that allows cultural research to draw upon a range of approaches that opens up the multi-dimensionality and sociality of culture (McGuigan, 2004). However, increasingly within studies of film, research tends to be 'either-or' rather than 'both'. The true objective is to 'find a way of understanding tensions between a whole number of approaches . . . [and] how best to synthesise [them]' (Hesmondhalgh, 2002 : 42) to produce a more accurate account of Hollywood.

Such concerns are echoed by Toby Miller and his colleagues in their 2005 book, *Global Hollywood 2*. Their concern is whether continued focus on textual analysis, narrative and reception in isolation from issues of political economy and cultural policy, equips researchers to adequately address issues that focus on the real issues that generate and sustain global Hollywood. For Miller *et al*, these crucial elements that are required to obtain a much fuller sense of how Hollywood works by addressing both the economic and the cultural, are left out from 'today's dominant discourse of screen studies - the major journals, book series, conferences and graduate programmes' (Miller *et al*, 2005 : 30). As an example, they argue that humanities work conducted on the process of stardom rarely engages with the research that exists on this within the social sciences. By

adding this material to the textual, theoreticist and biographical preferences of humanities, critics could offer knowledge of the impact of stars on box-office, via regression analysis, and of work practices, via labour studies. This neglect is symptomatic - screen studies frequently fails to engage political and social history and social theory on the human subject, the nation, cultural policy, the law and the economy.

(p. 31)

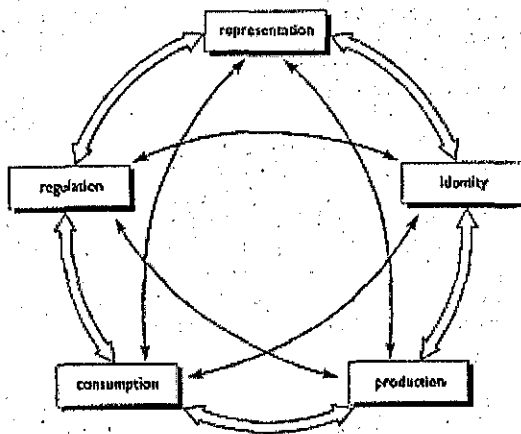
Raymond Williams saw the value in this way of working, and his sentiments have more recently been taken up by commentators such as Nicholas Garnham (1997), Graham Murdock (1989a, 1989b 1995), Douglas Kellner (1992, 1995a, 1995b, 1997a, 1997b) and Simon Cottle (2003). For Williams, cultural analysis should always 'look not for the component of a product but for the conditions of a practice. When we find ourselves looking at a particular work, or group of works, we should [attend] first to the reality of their practice and the conditions of a practice' (1980 : 48). If nothing else,

then this certainly provides a sound reason for locating the process of synergy not just within the general production strategies that dictate the conditions of cultural practice, but also in the way it creates the properties that dominate popular culture and how they work. In other words, how they construct meaning and the conditions through which this meaning is played out within everyday life.

However, as Garnham points out, 'if corporate power and capitalist dynamics are acknowledged as central forces in shaping the conditions for the production and negotiation of those systems of meaning that make up public [popular] culture, why is it that practitioners of cultural . . . [analysis] generally fail to follow through the logic of this perception in their own analyses?' (quoted in Murdock, 1995 : 90). Why indeed? Murdock offers his own thoughts on why this is the case. Part of the reason lies in the division of academic labour. He argues that cultural analysis has found its primary home within the humanities, while in comparison critical political economy is often studied within the social sciences; cutting across discipline boundaries of economics, political science and sociology. While Murdock comes to see this as 'the Great Divide', John Fiske (1994) readily argues that each subject requires its own unique methodologies and theoretical frameworks that cannot easily be analysed from the

Figure 1.1 - The Circuit of Culture

N.B - diagram taken from du Gay *et al* (1997)



The circuit of culture

perspective of the other. Graham Murdock calls for an approach that Williams truly believed in, that disregards the 'formal divisions between disciplines and fields and to work in the cracks, both theoretically and politically' (1995 : 90).

By crossing subject boundaries in such a manner as this, a combined approach to the study of cultural production and circulation would fuse together the various elements in the life of a cultural property in order to

grasp the ontological complexity of the particular case being examined (McGuigan, 2003; 2004). Such an examination would provide a far greater knowledge of how the process of synergy operates in reducing risk and shaping properties and consumer attitudes.

Although many have argued for this approach, its distinctiveness is marked by its absence. Very few studies can be found employing this research method that analyses the products *and* institutions of corporate culture (e.g.s. Alfino *et al* 1998; Bryman, 1995; du Gay *et al*, 1997; Gottdiener, 1997; Kellner, 1995, 1997; McGuigan and Gilmore, 2002; Ritzer 1993/6, 2000; Smart, 1998; and Wasko, 2001).

Perhaps the most well known recent example to use such a method is The Open University's study of the Sony Walkman (du Gay *et al*, 1997), which along with the three areas outlined above also includes identity and regulation in the cultural circuit. The idea for this circuit, illustrated in Fig 1.1 on the previous page, stems from an article by Richard Johnson (1985 / 86) who drew on Marx's writing on the links between production and consumption.

However, although advocating a 'multi-dimensional' analysis it does tend to be largely concerned with consumption rather than production, even starting from this perspective. Kellner's model however, starts with production and is critical in its design. Still, as McGuigan (2004) reminds us, this is not to say that the Open University's model should be dismissed out of hand, as it 'usefully connects cultural analysis to cultural policy by inserting issues of identity and regulation into the circuit' (p. 14). Another major strength of this model is that it focuses attention not just on these five 'moments' where power and culture meet (which allows meaning to be shared), but also on the links between 'moments' where culture is mediated. As Stuart Hall has argued, this process is known as 'articulation'.

As it has already been outlined, some studies of Hollywood properties tend to concentrate on issues of production at the exclusion of other important areas. Such studies, as du Gay *et al* (1997) argue, assume that production 'was the prime determinant of the meaning which that product would or could come to possess' (p. 3). This thesis attempts to break away from such theoretical and analytical limitations by framing the process of synergy in relation to several, empirically detailed, prototypical case studies that combine 'moments' within the cultural circuit. This is what Hall refers to as 'articulation'. Instead of privileging one moment in isolation (such as production) in the examination of a cultural property, this thesis argues that it is a *combination* of processes (their articulation) that is required. In a sense, articulation bridges the gaps between moments of the circuit.

These gaps are in turn populated by what Pierre Bourdieu (1984) refers to as 'cultural intermediaries'; by which he means people in professions such as: advertising, marketing and design. Understanding these different stages in a property's life, and

how they interact, is key to understanding the process of synergy both as being both intensive and extensive.

The success of Walt Disney and George Lucas, for example, stems from their understanding and deployment of the techniques of synergy that exist in film production and promotion *within the cultural industries*. By analysing the development of synergistic strategies within the circular 'moments' of marketing and production of a popular phenomenon, one can develop a more critical understanding of a product's production and distribution and perhaps unlock the true secret of its success.

Importantly though, as McGuigan (2001, 2004) argues, while the general framework needs to be kept in mind, some areas may be focused on more than others depending on the research questions being asked. Many studies may not complete the circuit, as in most cases such an approach would be far too demanding and would generate more data than one could possibly cope with. This thesis may appear to privilege the moment of production, but such choices are inevitable given the boundaries of time and space. Even so, the thesis still analyses this 'moment' *in relation* to the other dimensions represented. By not focusing on all the stages, at least in some detail, then the benefits of a multi-dimensional design would not be fully achieved.

This chapter began by proposing that studies of film either tend to exist at the level of the business or the cultural. Using a multi-dimensional approach also helps overcome one of the main problems of *privileging cultural analysis* in studies of Hollywood. Such studies have a tendency to focus on issues of textuality and consumption when discussing how Hollywood works. Instead of creating economic reductionism, as studies that favour issues of production do, this type of analysis can be argued to be culturally reductionist by going too far the other way. Although many commentators (such as Richard Johnson, 1985/1986) have stressed the importance of analysing production *and* culture, there is still a tendency to ignore this. For Janet Wasko (2003), rather than focusing on issues of production, many contemporary discussions of Hollywood seem to be comprised *only of text and audience orientated* studies.

There are several reasons why this may be the case, and these are considered in the last section of this chapter. Taken to its extreme though, studies that are focused exclusively on consumption run the serious risk of leading to examinations of cultural texts that stress a more populist 'celebration' rather than serious academic study (McGuigan, 1992, 1997b).

A necessary concept that has relevance here is *determination* in its non-reductionist sense of setting limits and exerting pressures, rather than in the sense of 'an external force or forces which leads inevitably to something happening' (Hesmondhalgh, 2002 : 46). While Williams provides an exposition of this distinction (1977 : 83-89), basically, a 'good analysis will set processes of economic determination alongside other processes and pressures in culture' (Hesmondhalgh, 2002 : 46) in order to determine how they interact. In relation to the circuit of culture, determination may go both or either way in specific cases. For example, the case of marketing in the form of merchandising has an interesting relation to the family / child, in addition to the role of market research and audience testing. Such arguments are discussed later in the chapter, and analysed further within the case studies.

By valorising the fetishism of the popular and consumption practices in general within contemporary cultural analysis, the role of marketing, business and public relations strategies have been sorely overlooked (Bjorkegren, 1996). Fiske (1989a, 1989b, 1990, 1993) argues that the 'popular' is created by audiences in isolation. However, the popular is constructed through a *negotiation* between audiences and cultural producers through the mediation of cultural industry promotion. In other words, part of the popular is determined through the intensive and extensive exploitation of a intellectual [textual] property.

It is clear that films such as *Star Wars* and *Lord of the Rings* are advertised to the point of saturation through massive advertising campaigns as well as crossover promotions with other products. It is only through analysing the synergistic marketing of a product that one can fully demonstrate and understand how the popular becomes a site for negotiated interaction between the culture industries and audiences. By approaching culture through the critical lens of multi-dimensionality, one can reveal how the popular is constructed. From this, the benefits of incorporating synergistic strategies within the life stages of a property can be analysed. This in turn has the effect of demystifying the culture producing machine and provides the basis for a more critical audience reception.

What such an approach as the one outlined here achieves is a blending of the best parts of the Frankfurt School, British cultural analysis and postmodern theory coupled with other critical approaches that combines empirical research, theory, critique and practice. Although it uses the concept of the active audience and how audiences construct oppositional codes and resistance to cultural forms (such as the attack on *The Phantom Menace* by fans) it will also show how consumers are

manipulated through the commodification of properties and the increased aestheticisation of life (Featherstone, 1991).

In addition, a cultural analysis that firmly places political economy at the centre of the study will allow for a clearer understanding of the different forms of production and distribution. By taking into consideration the other dimensions of the circuit, then an opportunity to map how important synergy is in providing the various channels through which a manufacturer can exploit / advertise / represent the same property is obtained. Such an approach to the study of economic synergy is supported by Golding and Murdock (2000), who argue that a salient task for political economy is to analyse the networks of ownership and commercial / marketing strategies that underpin cultural production.

Companies such as Lucasfilm are obsessed with the image and the visual, their films being likened to a 'firework extravaganza'. They weave seamlessly into the postmodern and computer culture. However, fresh critical strategies are required here to read their narratives, to interpret the complex interaction of the visual and the audio that is communicated to consumers through an abundance of distribution channels. Through these various new channels, unique cultural spaces and experiences are produced; mainly via the online world of the Internet fan site. A multi-dimensional cultural analysis allows for a critique of the development of the cultural industries in light of these new technologies while assessing the importance that mergers and synergistic strategies have in the overall production and meaning making process.

This shows the advantages of studying cultural properties within a rounded analysis to obtain the much sought after 'broader canvas.' Concentrating the analysis on texts and audiences in isolation, to the detriment of the social relations and institutions through which they were produced and represented, minimises the true depth to which an understanding of the overall process can be achieved. This is the same for those studies that focuses on reception but fail to show how audiences are 'produced' or how the culture in which they are living shapes their reception of the text.

In this sense it is important to engage and account for how the 'modes of consumption' affect the success and reception of cultural properties. Such discussions of: multiplexes, DVD releases, television home viewing, merchandising and the vast array of possibilities for consuming cultural properties are extremely important. Accounting for such issues helps in understanding not only how cultural synergy is used and sustained, but how these are related to the pursuit of economic synergistic strategies. In addition, the development of new modes of consumption, such as DVD and the Internet, also provide significant opportunities for extending the deployment of

synergistic strategies within the digital marketplace. Accounting for such modes of consumption (among others), provides a means for the growth in synergistic strategies, as well as the way consumers interact with cultural properties. It is these new modes of consumption across the decades that have largely been responsible for structuring Hollywood's attitude to ancillary markets and the growth in marketing more generally.

To summarise, a multi-dimensional analysis of synergy draws upon a range of research methods that examines cultural properties from the point-of-view of their actual and material conditions of social production (Williams, 1981). This is in addition to focusing on them as sites for symbolic communication, pleasurable experiences and identity formation through narrative and ideological structures. By drawing on a range of methods that allow for this, a far broader and critical understanding of how synergy operates in its two main parts: economic and cultural, can be provided.

Case Study Selection and Design

Rethinking Post-Fordism

Within the American film industry, Fordism was pioneered at Paramount with Adolph Zukor's integration of production and distribution. This eventually saw the construction of 6,000 cinemas in a nationwide exhibition network. The Fordist principles of production were further strengthened by Thomas Ince's introduction of assembly-line methods into formulaic film production around 1920.

Ince's approach developed a management style to film making that separated the conception of the film from its ultimate production (Storper, 1994). By vertically integrating the industry from production through distribution and exhibition, risk was greatly reduced. This process, theorised by Hilferding (1981 [1910]) as 'organised capitalism', is what most commentators often referred to as 'Fordism'. This follows on from Gramsci's concept, which is also implicit in Lenin.

Piore and Sabel (1984) claim that mass markets became saturated resulting in many commodities becoming increasingly fragmented. These changing fragmenting patterns of demand are what finally broke Fordist production strategies, owing to its inability to match output to the finally differentiated tastes and needs of consumers (Matthews, 1996).

While manufacturing saw the greatest drop in profits, other areas also experienced a significant knock-on effect; due in part to the large synergistic networks of production that had been established between industries. The entertainment

industry was not immune to these effects, and the history of Hollywood details how profits fell within the industry and led to vertical disintegration and the rise of flexible post-Fordism as a risk reducing strategy.

Several writers have offered their own opinion for the series of recessions that started in the early 1970s, after decades of *relatively profitable production* that upset the stability between supply and demand. In turn, the dominant principles of Fordist production were severely challenged.

Often referred to as the Long Downturn (e.g.s. Armstrong *et al*, 1991; Brenner, 1998; Harvey, 1989; Lash and Urry, 1987), the main contributing factor came from the OPEC (Organisation of Petroleum-Exporting Countries) rise in oil prices during 1973. This had the knock-on effect of 'hastening a shift from a Fordist to a post-Fordist regime of accumulation and mode of regulation' (McGuigan, 2005 : 230). What is important is that this resulted in two significant consequences for the *cultural industries*. The first is political, which had major repercussions in changes to regulatory policy. Second is that of changing business and organisational strategies. This witnessed an 'attack on organised labour in older industrialised capitalist states and devolution of much manufacturing to the cheaper labour markets and poor working conditions of newly industrialising countries' (ibid.), which is characterised by the New International Division of Cultural Labour (NICL). As McGuigan further argues, it is through the exploitation of this that Hollywood production is a global process at the point of production as well as consumption.

Significantly for this thesis, the most interesting part of the process emerges from the changing business and organisational strategies that the shift to post-Fordism created. The process of vertical disintegration within the *American film industry* arose in an attempt to achieve some form of profit and economic stability after the Paramount Decree of 1948 by trying to save on overheads and labour costs. It was hoped that this approach would, over time, win market share and help the majors to control competing firms.

It has been well documented how the Federal Court's decision against vertical integration was compounded by the spread of television-viewing in the 1950s. Taken collectively, it placed Hollywood on the road to post-Fordism well before Fordism was seen as an outmoded regime of accumulation in other industries more generally. As a result, films studios slowly transformed into centres of distribution rather than production, renting out their facilities or adapting them for television. It was at this time, that studios shared out their risks by investing in 'independent' production. The

1970s further added to this strategic decision, which is often noted as being a decade of change in Hollywood economic strategies.

Aksoy and Robins' (1992) point concerning the power of major film studios still being a significant factor within production networks, is echoed by Bennett Harrison's 1994 book *Lean and Mean*. Harrison argues for the continuing importance and vitality of large corporations. Castells (2002 [1996]) counters this with the notion that while the vertically integrated corporation is in decline as a model of production, it is still very much in existence. The power of the Hollywood major now lies in its ability to co-ordinate other small to medium-sized firms, who in turn become dependent on the major for work, finance and distribution. This has led to the rise in corporate strategic alliances that alter from film to film. Castells makes the point that this is particularly salient in areas where research and development costs are high. Nowhere is this more the case than the film industry, which is constantly innovating to provide the next blockbuster spectacular.

Flexible specialisation is an approach that is central to the post-Fordist argument, and is closely associated with the work of Sabel (1982), Piore and Sabel (1984), Hirst and Zeitlin (1989, 1991). The theory of flexible specialisation is less holistic in its approach than others, as it focuses more narrowly on changes in production rather than trying to analyse the wider contexts for these changes (Gilbert *et al*, 1992). Hirst and Zeitlin (1991) use this difference to argue that the flexible specialisation method should not be linked to other theoretical positions within the post-Fordist debate such as the regulation approach.

What must be remembered however, is that discussions surrounding Fordism or post-Fordism apply to a complete social process, not just economic [re]organisation. While production strategies changed to increase profit through flexible networks that employed new technologies, labour patterns were also reorganised. This notably saw a change in the workforce structure that comprised the companies who made up the networks of production. This witnessed part-time, short contract, minimum wage employees whose hours could vary from week to week. Castells (2000 [1996]) argues that these new organisational forms of working have resulted in the disintegration of the work force. These employees lie at the heart of the NICL process, something that post-Fordism has been responsible for and which is perpetuated by the exploitation of synergistic strategies.

Some early work by advocates of regulation theory implied that these changes in working practice that have been describe as post-Fordist, are better seen as neo-Fordist. Aglietta's (2000 [1979]) use of the term was originally coined by Christian

Palloix (1976), and 'appeared to denote a belief that contemporary reorganisation of the workplace reflected attempts to overcome certain rigidities within Fordism labour processes, rather than a radical break with them' (Tomaney, 1994 : 182). Aglietta then, saw neo-Fordism more as an extension to Fordism as an attempt to overcome the crisis that was occurring in the workplace. His approach gave an 'important role to class struggle in determining the crisis of the Fordist labour process' (Ibid.), while highlighting the pervasive use of new information technologies within the workplace and stressing the need to use modern patterns of restructuring production. Many commentators point out that neo-Fordist approaches refer to a new regime of accumulation. However, it also stresses the role of social and cultural relations. For example, how the state mediates production and demand through a range of regulatory policies. Still, which prefix: 'post' or 'neo' is it best to use?

Some would argue that the democratising potential of modern cultural technologies has subsequently been realised under 'post-Fordist' conditions in which mass standardisation has been superseded by finely differentiated tastes and products. Here, the Fordist system of mass consumption and production has been replaced with a production cycle aimed at very swift changes in product. However, in actuality what this usually entails is the repackaging of an existing product - such as in the *Star Wars* prequels. There exists then, a possibility that post-Fordism is not that dissimilar to Fordist methods of production in providing a product. One could even suggest that 'neo-Fordism' is a much more accurate description of current production than post-Fordism, as mass conformism, standardisation and consumerism persist much as before in spite of there apparently being more choice in cultural consumption and opportunities for popular access to cultural production.

Prototypical Cases

The second part of the thesis extends these observations and arguments by analysing several empirically detailed case studies that not only best illustrate their periods of production, but also provide a better opportunity for studying the process of synergy. The chosen cases are, *Snow White and the Seven Dwarfs*; the successive *Star Wars* trilogies; and the *Lord of the Rings* trilogy. As discussed earlier, the case studies also provide a diachronic dimension to evaluating the process of synergy by placing its evolution within the wider development of economic and social change. Choosing a multiple case study design also provides a more rigorous and reliable framework against which the analysis of economic and cultural synergy can be placed.

First, selecting the case studies in this way allows the question of whether current Hollywood production is really an example of post-Fordism. The arguments concerning neo-Fordism contest the very notion of this by suggesting that production strategies are not so very different from Fordism - albeit with significant modifications. According to Michael Storper, the 'hallmarks of Fordist industries' are 'vertical integration, mass production and stable oligopolistic market structures' (1994 : 217). Today, Hollywood is experiencing vertical reintegration with advancements in new technologies that rationalises production. Furthermore, while there have been shifts in production strategies to utilise more flexible networks and cheaper labour markets, the oligopolistic structure of Hollywood has not been undermined. Vertical reintegration at the level of the industry has instead strengthened the dominant position of the major studios.

In addition, the growing process of smaller production companies being bought and incorporated into conglomerate holdings is not only relevant for analysing economic synergy at the level of the firm, but also allows for a tragic narrative to be told about the rebelliousness of independence turning into incorporation. Such incorporation not only 'constrains US "independent" filmmaking, but also reinforces American cultural hegemony abroad. The possibility of distinctive national and regional film cultures is eroded by the globalization of the Hollywood aesthetic' (Smith, 1998 : 9).

In examining how economic synergistic strategies are played out within the chosen case studies, it may be possible to argue that flexible production is still possible without a radical departure from the routinised characteristics of Fordism that the production of *Snow White and the Seven Dwarfs* exemplifies. While this may appear to be a 'sitting on the fence' approach, the case studies of *Star Wars* and *Lord of the Rings* will show that while organisational changes have occurred at both the level of the firm and that of the industry through the development of economic synergistic strategies, these changes are derived from bouts of deskilling (through new digital technologies), wage depression via the NICL and labour intensification. This is very different to the production strategies that many argue are central to post-Fordism.

Based on this, it may be possible to argue that commentators who frequently use the term 'new' or 'post-classical' when describing contemporary Hollywood are missing the point. While there is no doubt that there have been shifts and changes in organisational logic, these are perhaps not as fundamental as some commentators argue. As Murray Smith points out, 'it is not that change has not occurred, but that the scale of change has consistently been overestimated' (1998 : 14).

While it is proposed that neo-Fordism is not so very different from Fordism, but with significant modifications, it may also be possible to argue that flexibility is still used but within an integrated hierarchical network. It is these networks, that are formed between companies, that the first form of economic synergy operating at the level of the industry can be argued. The examination of *Lord of the Rings* will suggest that Hollywood production today is best characterised as *flexible neo-Fordism*. In general, the diachronic selection of *Snow White and the Seven Dwarfs*, *Star Wars* and *Lord of the Rings* will provide an opportunity to evaluate how Hollywood production mobilises economic and cultural synergy, while achieving flexibility in their use, and whether such strategies constitute a sufficient departure from Fordism to warrant the term post-Fordism. Such an analysis will help to establish whether neo-Fordism is a more accurate description of production and consumption strategies.

Whether the process of [cultural] synergy can be argued to have begun with *Snow White and the Seven Dwarfs* is not important. In fact, historically, the first arrangement to produce a Disney product was a \$300 offer to feature Mickey Mouse on writing tablets. The importance of merchandising to Disney was recognised as early as 1929 when the company was reorganised into four divisions. While early Mickey Mouse merchandise was mainly toys and dolls, they quickly expanded into a variety of different products. Items that proved to be especially popular were watches and clocks produced by the Ingersoll-Waterbury Company.

What is significant about Walt Disney is that, like George Lucas and Peter Jackson, he was a pioneer. The selection of these innovative cases studies not only situates the development of synergistic strategies historically, but it also helps to illustrate the similarities between Disney, Lucas and Jackson and their incorporation of synergistic processes within their marketing strategies.

Since *Snow White and the Seven Dwarfs* was released in 1937, merchandising has become increasingly more influential as a form of marketing. As it has been made clear by now, the chosen case studies have not been selected accidentally. They have been chosen as the best examples of their type to study and illustrate the process, and development, of synergistic strategies. This period of merchandising growth represents a significant way through which Wasko's 'cultural' synergy can be analysed.

These cases, particularly *Snow White and the Seven Dwarfs* and *Star Wars*, advanced the influence of merchandising as a market force. Clearly, all these cases are aimed exclusively at the children's market, and are perhaps the best examples of synergy working to its fullest and most exploitative. Films that are predominately addressed to adults (such as *Schindler's List* or *The Hours*), while utilising synergistic

strategies, tend to offer fewer opportunities for exploiting the intensive marketing associated with 'high concept' blockbuster productions (Bryman, 2004). These films tend to rely on the ancillary tie-in rather than merchandised toys or products. As a result, they do not allow for a full examination of the process of synergy in relation to film production and marketing.

Most films made today that are addressed exclusively towards children and a younger audience, are made with toy by-products in mind. As Chapter Three will show, Lucas was making much more than a film. Part of the franchise's phenomenal success as a licensing property comes from its range of child orientated merchandise. By intensively exploiting the film's themes and characters into numerous products, then the world created by Lucas is not only further enhanced but additional possibilities exist for extensive marketing. This type of strategy is illustrated in the array of *Star Wars* novels and computer games that provide an 'expanded universe' to the narratives contained in the original films. This extends the core brand into a range of associated merchandise and apparel that Eileen Meehan (2004) refers to as 'redeployment'. This takes the themes and images encapsulated in the original property to create new products. While the same as the original, this new 'extended' property is also different from it. This creates a fresh linked brand without the risk of producing something entirely new and untested.

The integration of merchandising as a marketing device has become so important that film projects are now often conceived with merchandising possibilities in mind. While there are plenty of films that illustrate this (*ET*, *Batman*, *Spiderman*), the most recent marketing and merchandising phenomenon has to be *Lord of the Rings*. An examination of this film brings the historical account of the development of synergistic strategies up-to-date. Such observations on the integration of merchandising via synergistic strategies (coupled with market research in general) is also consistent with the cultural circuit mode of analysis previously outlined, that determination may go both or either way in specific cases.

Case Study Design

This section provides an account of how the case study approach is designed. This is to present a clear set of reasons why a case study design is preferable to this thesis, and, most importantly, why a multiple case study approach in particular.

Within a case study design, the case can exist either as a particular individual, group, organisation, location or almost any unit that we wish to investigate more closely. Bryman (2001) and Robson (2001) both point out that the concept of the case

study is not new. The case study has been around for a long time (Hamel, 1993) and is a common research design in: psychology; sociology; political science; social work; business and planning (Gilgun, 1994; Ghauri and Grønhaug, 2002). As with most research designs, there are advantages and limitations. However, many commentators such as Robert Yin (2003), have contributed a significant amount of work to elevate the case study as a serious and legitimate design for social science research in general.

In approaching the initial design of a case study, Yin (2003 : 21) makes several important observations. First, the type of research questions one asks largely determines the best design approach to use. For case studies the likely questions are those which fit into the 'how' and 'why' category. This is particularly relevant to this thesis, as we wish to examine 'how' synergy operates within Hollywood production and 'why' it is used.

Second, the case should have a number of propositions; with each proposition being uniquely linked to a specific area that should be examined within the field of the study. For this thesis one of the first questions we can ask is: 'how and why do cultural producers create synergistic relationships with each other in the creation and promotion of a cultural property?' It is ultimately the 'how' and 'why' parts here that direct our attention to the more salient areas for examination, and illuminate the case study strategy as the most appropriate research design. However, it is quite clear that these questions do not specifically tell us those areas that should be examined more closely to determine the importance of synergy; but rather just direct us. It is only through stating the propositions of the case in relation to the overall research questions that one starts to move in the correct direction. So, in relation to synergy one could initially hypothesise that cultural producers create these complex webs of synergy in order to reduce both cultural and economic risk. This proposition immediately reflects the important issues that will form the main analytical focus of the research, but it also tells us where to look for supporting evidence - i.e. to define and determine, with examples, the specific benefits and ways through which reducing risk is achieved.

Third, Yin argues that the case should have a clear unit of analysis. This in itself is not always such a straightforward matter as it requires having to define what exactly the case is. In our example it is relatively easy, but other studies may not always be so clear-cut. The decision to use our chosen case studies has already been argued in the previous section as being prototypical of synergistic development in Hollywood from the 1930s until the present. It must be remembered that the clearer

the propositions of the study (including the underlying strategy), the more it will be able to stay within feasible limits (Yin, 2003). Through careful case study selection that illustrates the various techniques of production, we are able to determine not only how synergistic strategies evolved, but changed the face of the industry through the emergence of vertical reintegration. This allows for an examination that takes into account the structure and operating practices of the American film industry as a whole.

One can also ask, why use cultural production within Hollywood as the focal case, and not another cultural industry such as music? For sure the music industry uses much of the same techniques of synergy that has already been outlined, even down to recycling old songs in the form of cover versions by contemporary bands. However, Hollywood involves a much more complex series of production networks whose operating dynamics from both a business and cultural stance have been sorely overlooked within academic commentary. Synergistic strategies have changed the operating dynamics of this industry through bouts of vertical disintegration, and then later, reintegration.

The music industry today exists as a by-product of the various changes that emerged within the film industry. Conglomeration arose out of the Paramount decree, with many record companies now forming tiny cogs within the huge machinery of the conglomerate. For a study that examines the process of synergy, Hollywood is where it all started. In addition to this, the properties of Hollywood films play an influential role in the recreational values and ideas of society. These in turn have a significant impact in developing cultural ideologies that an examination of texts, genre and audience would illuminate. In addition, Hollywood production affects global labour markets and economies through the NICL and globalisation more generally.

A multiple-case study design provides a more reliable framework in which to set an examination of the process of synergy. This ensures that any observations made can be generalised, to a greater extent, to the overall process of Hollywood production by comparing and contrasting them across several examples. This maintains good external validity for the study, by providing an account of how synergistic processes are used throughout the industry as a whole. Such an approach is also desirable for developing both a typology of these processes coupled with original theoretical ideas. These advantages can be illustrated further.

It can be argued that the multiple case studies used for this thesis of: *Snow White and the Seven Dwarfs*, *Star Wars* and *Lord of the Rings* contain embedded units, or simply put, more than one unit of analysis. Here, the embedded units can be considered as the individual ways through which each case implements synergistic

strategies to reduce risk and maximise profits (through both the economic and the cultural). While some strategies may be unique to an individual case, by utilising a multiple approach, we can again begin see the advantage of such a design that allows for strategies to be compared and contrasted across cases in order to obtain a more rounded and accurate understanding of synergy. In addition to this, the holistic nature of the design allows us to map these developments onto Hollywood, thus allowing a more in-depth understanding of the mechanics of the industry. It is possible therefore, to move between these two designs, as each one helps inform the other. However, care must be taken to ensure that the study does not focus in isolation on the embedded units, at the expense of neglecting the questions set at the holistic level, and vice versa.

Indeed, a significant problem with case studies that only use a holistic design is that the focus of the study may shift without the researcher's knowledge. For example, the initial study may have raised certain questions that reflect a certain approach to the chosen case - for example, synergy only works at the level of the firm. During the actual study a different approach may emerge and the analysis conducted may start to address a different set of questions - for example, through the deployment of economic and cultural synergistic strategies, the process works at the level of the industry *as well* as the firm. So, as Yin (2003 : 45) argues, by having a series of embedded units to address, then the sensitivity towards such slippage is increased. An embedded design is an important device in helping to focus the study and provide a more rigorous understanding of what is being examined.

The greatest concern among researchers with a design such as this has been over the perceived lack of rigour that exists in using a case study approach. This is more often due mainly to a lack of focus on behalf of the researcher. In addition, the researcher's own opinions or enthusiasm for the subject can often provide a subjective bias that influences the analysis and conclusions. Yin (2003) feels that such an undisciplined approach is unlikely with other research disciplines, mainly because of the overwhelming number of methodological texts that provide a systematic set of procedures that can be followed. However, exposing each case to a multi-dimensional approach provides both a rigorous, objective and critical analysis.

Finally, another common problem associated with research that uses case studies and multi-dimensional approaches is that they take too long and generate too much information. This is an appropriate complaint, particularly given the way that some studies using these have been conducted in the past. That is not to say, however, that this is how they should be done in the future. It must be stressed at this

point that a study such as this is constrained in terms of space and material. It is not possible to discuss everything within the circuit of culture that may be relevant to the chosen cases in terms of how synergy is used. In many respects, this study is only the tip of the iceberg. Further research will be needed to follow up many of the observations and ideas proposed here. This argument will be discussed in the Conclusion.

As it has already been mentioned, the development of new theoretical perspectives to help explain the synergistic process is central in the analysis of the chosen case studies. This chapter has described the framework for developing these theories by using a multi-dimensional case study design. This framework can be further illustrated by adapting the work of Kathleen Eisenhardt (1989 : 533). This provides a clear set of procedural steps (illustrated in Table 1.1 below) for the construction of theory. This provides additional justification for using a multiple case study approach within the creative framework that this chapter has outlined.

Table 1.1
Process of Building Theory

Step	Activity	Reason
Getting Started	Definition of research questions	Focuses research and prevents the study from becoming overwhelmed with extraneous data
Selecting Cases	To provide a diachronic rationale to evaluating the process of synergy, by placing the evolution of synergy within the wider development of economic and social change	Strengthens external validity and provides a comprehensive analysis of the synergistic process, allowing for variations in cultural production. Makes analysis more rigorous and critical.
Selecting Methodology	Multi-dimensional analysis within a multiple case study design	Strengthens the analysis of synergy by providing a framework that examines both the production and cultural dimensions of properties, taking into account all moments within the 'circuit of culture' Ensures study is critical.

Collecting Data	Using a variety of sources that includes trade publications as well as academic material. Continual assessment of validity and usefulness of journalistic articles	Main sources of information for chosen cases. Up-to-date trade publications allows research to take advantage of new developments within chosen cases, while academic material keeps research abreast of emergent themes and theories
Analysing Data	By combining a range of methods that exist generally within political economy and cultural analysis	This provides a comprehensive examination of the synergistic process.
Shaping Theories	Comparison with conflicting and similar academic theories. Questioning 'why' these process occur, while examining whether the processes identified are replicated across cases	The interweaving of cultural and social theory is important in ensuring that the study remains critical and objective, rather than being celebratory populist. Questions of 'why' builds internal validity in addition to determining if strategies are replicated across cases. This further extends and sharpens theory. Necessary in determining the common characteristics of synergy and providing a detailed and accurate analysis of the process
Devising New Theories	Highlighting gaps in existing literature that do not provide an accurate or satisfactory account to explain synergistic strategies	Essential in contributing new theories to the existing literature and knowledge base that help explain the central importance of synergistic processes. Original contribution to knowledge
Reaching Closure	When theoretical saturation has been reached as far as possible within the limitations of the study	Process ends when each moment of the circuit has been as fully developed as possible for each case study, and that the intensive and extensive uses of synergy are outlined, well explained and validated.

However, it is to the dependence and reliability of secondary sources that we now turn, and the problems that such material holds to studies within cultural analysis.

Problems of Access - The Reliance on and Selection of Secondary Sources

Many methodology text books argue that in order to study adequately networks of production, then researchers must immerse themselves within the field of study. More often than not, this usually means interviewing media professionals and people who work within the principle case studies in order to understand more fully the dynamics of production. Even though this approach is still not as rigorous as, say, an in-depth ethnographic study of workplace procedures, it is still very slow, unpredictable and more often than not, impossible for cultural analysis.

Given the limitations of time and finances, it is also not possible to conduct detailed in-depth archival research. While the firsthand examination of contracts and important documents would considerably increase the validity of such data, this material is inaccessible. Therefore, the study has to rely on secondary academic commentary and journalistic sources. In considering the latter, the truth of such material must always be questioned. This section will later consider several ways in which the validity of these sources can be increased.

While many commentators, such as Wasko and Garnham, readily argue that more research needs to be conducted on production processes and organisations, gaining access to these key Hollywood players in order to obtain a greater insight into the creative aspects of their work and to cut through the glamour of Hollywood discussion is an impossible task. Garnham (1990) often feels that it is the glamour and promotion of an individual's creative talent that hinders an analysis of the relations of power, decision-making, control, organisation and administration. However, as this chapter has argued, it is this 'glamour' that plays a key role within the rhetoric of creativity and through cultural synergistic strategies helps bring cultural properties to the attention of the consumer (McRobbie, 2000).

For cultural analysis, this glamour is often as close as many researchers can come to interviewing key people. While interviews with figures such as: George Lucas, Michael Eisner and Peter Jackson would be desirable and invaluable to a study such as this, the chances of doing so are extremely remote.

It is arguably because of this glamour that many previous studies of the American film industry have centred on issues concerning reception and consumption (Guback, 1969). It is because of the easy access to films as texts and their audiences that such studies dominate the research scene. While information exists on the film

and entertainment business as an industry in the form of box office numbers and film production, these are often generated by the industry itself and are hardly that critical (Wasko, 2003).

Finding reliable and accurate data on Hollywood remains one of the largest challenges facing researchers within the field. As previously mentioned, empirical observations made from sources such as: biographies, autobiographies, interviews in trade magazines, documentaries, Internet sites, archives, DVD 'extras' and so forth lend themselves to perpetuating the celebratory nature of the industry, rather than a more detached and critical examination that a study such as this requires. Even when more reliable information is obtained (for example, through court cases) the 'commercial and profit-motivate goals of the industry are assumed, and rarely questioned' (Wasko, 2003 : 12).

Heinz Steinert (2003) refers to this tendency of researchers becoming caught up within the journalistic celebration of the industry as 'authoritarian realism'. For Steinert, these texts have come to represent some form of inherent truth, that because of the source, almost legitimise the content into being true. For example, journalists mediate between the activities of cultural producers and their products, providing interpretations and a source of 'knowledge' from which researchers can accumulate information and form opinions relevant to the research questions. Because of the perceived authority of the sources that these articles quote, they possess a form of 'authoritarian realism'.

Steinert argues that we cannot directly use texts such as these to help understand how something 'really is', but should instead consider it from an informed distance. Exactly how one achieves this is open to debate, and Steinert does not offer any hard and fast rules. However, one suggestion is that in order to obtain an understanding on a particular issue (such as whether the *Star Wars* prequels are just an excuse for merchandising and making money) we need to consider all the possible perspectives represented by different commentators; a type of *textual triangulation*.

In this respect there exists no correct method, but rather a matter of analysing the constellation of perspectives that are formed by numerous sources. These are often placed against the larger canvas that comprise the industry as a whole, and the social and political backdrop against which the arguments are being made. These are further validated by the inclusion of theory, by drawing on our understanding of the features of Hollywood and how the cultural industries work to support or refute the claims being made in the original journalistic source. Steinert feels that such an

'approach to social knowledge and science means that we do not have to get involved in the debates about explanation versus interpretation . . . ' (2003 : 45).

This larger canvas that one can draw upon ultimately helps improve the overall validity of the secondary sources used. Steinert refers to this as the 'working alliance'. The interweaving of cultural and social theory is important in ensuring that studies of Hollywood remain critical and objective, rather than being celebratory populist. Such studies regularly resist criticisms that challenge the status quo. Where a lack of current theory exists then new insights can be argued and proposed that helps fill in 'the gaps'. Such an approach offers original contributions to the existing knowledge base - such as the critical examination of synergy as both a concept and process that this thesis provides.

To help researchers in their quest to obtain a more objective and critical interpretation of source material, Steinert (2003 : 57) summarises his arguments by providing three main perquisites for interpreting information. First, look carefully. Try not to become fixated on matters that may be trivial or hold little insight into what is trying to be discovered. For example, when studying Lucasfilm it becomes necessary to understand how the company has provided Lucas with the money and autonomy to work 'outside' of the established Hollywood production process; even though he is still largely responsible for its direction and development owing to his central position within the networks of production. However, it becomes less important to understand what he does in his leisure time or to examine every last detail of his life and career.

Second, think thoroughly. This involves careful consideration of the more pertinent aspects of theory that can be drawn on to substantiate the secondary sources and illustrate the synergistic process. Such an approach will help ensure that the finished study covers only those areas that are relevant and does not become mired in trying to grasp everything that could be connected to the topic in hand. Such studies usually end up over-length and theoretically confused.

Third, and last, do not let yourself be taken in. All secondary sources that cannot immediately be borne out through confirmation - either academically or based on previous knowledge - must be treated with scepticism. This raises the question of the relationship that exists between the content and context of the material. Making claims about certain statements that have been taken out of their original context can often impart a whole new meaning to that which was originally intended. Journalistic articles are often unstructured with regards to the needs of the researcher as they will be written for a completely different audience.

This original audience will always have to be borne in mind when understanding the article from the perspective of what relevance it has for the research. It is a skill to cut through the 'gossip' of such journalistic sources in order to find those elements that are of use, and read them in the 'detached' manner of a social science researcher. What must be remembered is that while many claims and observations can be borne out through theoretical argument, certain perspectives fall towards the interaction that exists between the 'text' and the interpreting subject (the researcher). In this sense, certain forms of analysis can become subjective and not always in-line with the preferred reading or dominant ideology (Hall, 1980). This is particularly relevant when conducting a textual analysis.

Conclusion

This chapter has outlined how the majority of research that has been conducted on Hollywood has predominantly been either at the level of the business or the cultural. Most, mainly due to questions of secondary material, have largely been concerned with the textual. Such studies focus almost blindly on consumption and representation without questioning how issues of production can often largely affect the overall success and appearance of a cultural property.

While many commentators have argued for research that critically engages with Hollywood from a number of different points, many have often ignored this and have continued along the path of reception studies to perpetuate the trend that has come to dominate the British Cultural Studies scene.

The principal methodology that underpins this thesis, the framework that structures how the chosen case studies will be studied, has been described as 'multi-dimensional'. By employing a range of methods such as: political economy, textual analysis and audience reception more generally that critically engages with the circuit of culture, then a more rounded and theoretically inclusive illustration and understanding of the synergistic process can be provided. This is crucial if we are to understand in more detail how a process as intrinsic to the production and dissemination of Hollywood properties such as synergy works.

Furthermore, by using the circuit of culture, the problems associated by solely focusing on production and political economy can be reduced. Reductionism is overcome by addressing questions of production merely as a moment of the overall analysis. This is complemented by studying the meanings and effects of texts, how they are marketed and promoted and how in turn audiences receive them. This ensures that the nature and reception of texts are not simply reduced to the production

process or ideological effects, but further provides a fuller account of the concept of synergy and its two main parts: economic and cultural.

The chapter also outlined the reasons for using a diachronic rationale for selecting the prototypical case studies *Snow White and the Seven Dwarfs*, *Star Wars* and *Lord of the Rings*. It was also suggested that Hollywood is perhaps an example not of post-Fordism, but of flexible neo-Fordism instead. Several reasons were discussed to account for this, and the analysis of the remaining case studies in relation to how economic and cultural synergy has been used and developed historically, will help determine more accurately the type of production style that best characterises contemporary Hollywood production.

Analysing the process of cultural synergy in the exploitation of a cultural property will also raise questions on how this has impacted on the aesthetic of film form and style. Such examinations will pursue the argument that cultural synergy at the level of the industry creates diffuse forms of intertextuality to produce something that is marketed as being new, but in reality is merely a combination of past themes. An example of this that is consistent across all three of the case studies, is how they have attempted to create a new mythology for a modern age based upon the updating and recycling of classic mythology and fairy tales. The use of myth in this way has then been almost commodified in the pursuit of cultural synergistic strategies. These arguments have significant weight in concretising the notion of neo-Fordism as the strategy of current Hollywood production and consumption.

Finally, the problems associated with the types of secondary sources that will be used was addressed. This outlined the primary sources of material that this thesis draws on to understand how Hollywood uses synergy within its business and marketing strategies. These sources were identified as mainly being: biographies; autobiographies; interviews and features in trade magazines; documentaries; Internet sites; archive material and so forth. While there is concern by many commentators over the validity of research that draws heavily on such material, this chapter proposed three main ways through which a critical and objective reading can be obtained. While it is not possible to have complete confidence in everything one reads within these sources, the advice proposed by Steinert (2003) at least provides a model of interpretation that enables us to have some degree of trust that what is being argued is as accurate as it can be.

What must be remembered is that the following case studies are an attempt to offer an illustrative window onto the process of synergy. Some commentators are convinced of the marvels and ability of marketing to act as some form of magic

wizardry to reduce risk and offer some degree of predictability. Many others agree that arts-related business is extremely capricious and cannot be predicted by any means. Bjorkegren (1996) concedes a great deal to this latter view by discussing several strategies that are used in a variety of different sectors of cultural production (film, publishing, music) to try and reduce risk. However, it is quite clear that this is all they are: suggestions. There is no infallible means through which to guarantee success from a cultural commodity.

Marketing works half the time, but exactly which half nobody seems to know. Thus making money from cultural products will always remain a very risky and unpredictable business. In this light, it will be desirable to highlight those instances when synergy has failed to work. Such examples can be seen in the over-promotion of the first *Star Wars* prequel: *Episode One: The Phantom Menace*. Arguably, synergy may be the best way to exploit properties and spread production risks, but there are also disadvantages to such a process. By highlighting such approaches, blockbusters that perform reasonably well at the box-office but fail to launch a 'franchise' (such as *Godzilla* for Sony) may be better understood.

Prototypical Cases

CHAPTER TWO

Snow White and the Seven Dwarfs

Introduction

With the rise in success of Mickey Mouse and the associated clubs and merchandising, the Disney studio began production of a series of short animated films in 1929 known as 'Silly Symphonies'. These shorts allowed animators to experiment and develop new strategies with sound, music, images and colour to create and manipulate the emotions of audiences. These techniques, rather than just humour, would come to dominate subsequent Disney properties while setting the stage for animated feature films.

As early as 1934 (Finch, 1988) Disney had been contemplating whether to make a feature-length film that utilised the skills and techniques learned from the Silly Symphonies, while pushing the limits of animation further. There were, however, several important considerations that underpinned this decision. First was a matter of simple economics, the company was always in need of finding extra revenue streams. While the Silly Symphonies were very successful they could never make much money. This was due partly to animators never being able to produce them in large enough quantities to ensure a constant supply of new properties to cinemas - while having no reoccurring characters that could help establish a brand to exploit through cultural synergistic strategies. In addition to this, film rental was largely determined by running time and not popularity (ibid.). This further served to limit the potential earnings from cartoon shorts. The knock-on effect of the Depression also had a severe impact in the fall of cinema attendance, prompting cinema owners to offer free plates, raffles and double features to try and lure people back. These marketing strategies had the effect of greatly reducing or eliminating entirely the necessity and budgets for future cartoon shorts (Eliot, 1994).

It was the budgets for shorts that was the real problem. Because of Disney's attention to detail, the cost of producing animated shorts began to escalate. Disney claimed how, in 1961, a short would cost \$100,000 to produce (Maltin, 1987 : 343). While other studios with less perfectionism could probably produce them for less, the falling demand from cinemas for this type of property meant that costs took longer and longer to recoup. Shorts simply became too risky.

In this sense, it is easy to see that Walt's decision to move into animated features was more economic than artistic, and the 'vision' of Walt safeguarded his company's interests. The move began a strategy of gradual diversification that resulted in the studio relying less on cartoon shorts by the late 1950s (Bryman, 1997). This ensured the studio's long-term survival. Having said that, it is still clear that there were also artistic reasons behind the decision. Disney was eager to work in an

extended format to develop material that would not only use a longer running time, but also allow him to utilise a more elaborate and leisurely character development than was possible in shorts. This gave him the ability to evolve more complex plot ideas and create greater naturalism. Such an expanded structure would also provide further opportunities for exploitation through the cultural synergistic strategies that Disney was developing at the time. Ultimately, it gave him far greater scope and freedom to develop his ideas and provide creative opportunities that could be further exploited through merchandising. It has also been suggested that another reason for the move towards animated features lay in Walt's anger that many of his competitors 'were stealing away his best animators by offering them work in longer formats' (Bart and Guber, 2003 : 35).

The idea behind *Snow White and the Seven Dwarfs* (referred to from here as *Snow White*) was to take a classic fairy tale and adapt it for the screen with a kind of magical realism that live-action films simply could not achieve. For many writers, including Jack Zipes (1995), it was *Snow White* that established the Disney model for reinterpreting children's literature. Coupled with *Pinocchio*, *Bambi*, *Dumbo* and *Fantasia*, *Snow White* marked the beginning of the so-called 'golden' period of Disney animation. This 'reinterpreting' of classic tales is an example of nostalgia, coupled with the recycling of material that is characteristic of cultural synergy at the level of the industry more generally. This will be examined further in a later section.

With an estimated budget of \$150,000 that rose to \$1.5 million by the time it was finished in 1936, the project soon became known as 'Disney's Folly'. Additionally, many critics quickly began to doubt whether audiences would be prepared to sit through what was basically a very long cartoon.

The first section of this chapter, 'Synergy, Control and Fordism', discusses how the techniques and processes devised by the early pioneers of the American animation industry were developed and how these were later used by Disney and then improved upon. By examining the link between synergy and Fordism, it concentrates on such areas as the relationship between technology (not just machinery but also techniques) and the organisation of work, and the way in which the production process consisted of specialised labour coupled with the deskilling of production work more generally.

How the production of *Snow White* illustrates these rationalised strategies will be examined by applying George Ritzer's (1998, 2000) McDonaldization theory. Through the dimensions that comprise this model, a discussion of the limitations that existed with the technology of the time will be made. In addition, the way Disney had to largely innovate new techniques in order for him to achieve his creative vision

(Schickel, 1985 [1968]) will also be provided. This strategy, as will be shown in the next chapter, has parallels with the way George Lucas had to also innovate in order to achieve his artistic aims.

Through the dimension of 'control' the analysis will also include an examination of how Disney managed and controlled external and internal networks. Externally, this will be analysed by discussing how Disney developed economic synergistic strategies with banks and distributors, while internal aspects of control will be examined by a discussion of Walt's dominating role within the creative process and organisational structure of the company. This will show how synergistic strategies under Fordist production affects the lives of cultural workers. It will be shown how Disney's controlling nature, coupled with the routinisation and dehumanisation of the labour process more generally, contributed to dissatisfaction among Disney workers that culminated in the 1941 strike.

The second section of this chapter, 'Disneyfication as Nostalgia', analyses how Disney adapted the fairy tale genre in general to his own 'vision', before examining how this was specifically performed in *Snow White*. This section allows for a model to be constructed that shows how future Disney properties after *Snow White* all revolved around the same recycled themes. This creates desire through nostalgia in the same way as the theme parks; through cultural synergy operating at the level of the industry.

Section three looks more generally at the various cultural synergistic strategies that were used in the marketing and exploitation of the property.

Synergy, Control and Fordism

From the very beginnings of the animation industry, pioneers tried to bring increasing levels of efficiency to the manufacturing process. During these formative years there existed very little commercial viability in a process that was both complex and expensive. The production process whereby the animator had to physically draw all the components of a frame, worked against any business potential the medium might have held. This was compounded still further when one considers that even a very short piece of animation could easily result in thousands of individual cels, all varying slightly from the one before it. The drive to innovate new techniques that increased levels of efficiency and production quickly became of prime concern.

The problems of having a single animator to draw all the components of a single frame was illustrated by Winsor McCay. McCay's early career need not concern us, but his technique of animating a cartoon film illustrates the laborious nature of the process. While McCay regularly used an assistant to aid him, his methods of

animation were still radically opposed to production on a regular basis. His third film, *Gertie*, (about a dinosaur) was the first to require large amounts of background detail. This was provided by his assistant who traced a McCay drawing of the background onto each of the hundreds of detailed drawings that McCay had produced of the dinosaur (Barrier, 1999 : 10). Unfortunately, such an approach meant that it was very difficult to produce a regular series of cartoons. Although McCay only produced several cartoons during his career, many of them met with critical acclaim. The question that many were beginning to ask was whether there was a more efficient way of doing it?

The first person to try was French cartoonist Emile Cohl. It is often difficult, however, from the copious amounts of commentary to decide exactly how he solved the production problems that a regular cartoon series presented. Initially he intended to make a cartoon every fortnight. This though quickly became one a month. Based on this alone, it would appear that Cohl struggled to overcome production problems (Crafton, 1993 : 81-84). However, his sole surviving cartoon (*He Poses for His Portrait*, 1913) shows that Cohl did not try to animate in the same way as McCay had done. As Barrier (1999 : 11) argues,

[h]is characters - shown as negatives, white lines on black - are instead frozen in a tableau, each one highlighted in turn as their dialogue appears on the screen; movement comes mostly in bursts of free-flowing metamorphosis animation of the kind Cohl had employed in his French films . . . When characters do move, it is as cut-outs.

Within their respective studios, both Bray and Barré would come to develop methods that would in time overcome the chief problems that McCay, Cohl and others were experiencing. The main problem would be the 'need to constantly redraw backgrounds for each frame as well as needing to draw the action areas' (Bryman, 2000 : 457). It was these problems that were responsible for the enormous amounts of time and money that animation was costing.

Bray tried to overcome this problem by printing multiple copies of the background for each scene which he then drew characters on and scraped away those parts of the background that the characters disturbed. As Barrier (1999) points out, this method did not differ that radically from that used by McCay, except that 'it mechanised the reproduction of the backgrounds; even at that, it [still] called for assistants' tracing some parts of both characters and backgrounds' (p. 12).

Initially, Bray's application for a patent was rejected in February 1914 as his method was not deemed sufficiently different from that used by McCay. However, after an appeal by Bray's attorney, the patent was successfully awarded on 11 August. Bray's patent, though, failed to live up to its promise under actual production pressure, and he eventually ended up employing other animators when he established his own New York studio that was capable of systematic production (Crafton, 1993 : 148).

By early 1915, Barré had established his own studio to produce cartoons for the Edison company in a series that he called 'Animated Grouch Chasers'. However, unlike his competitors, Barré did not use printed backgrounds nor did his approach involve having to trace as extensively as McCay's. Popular commentary of the early years of animation seems to be universal in the opinion that Barré was the first animator to understand that it did not matter if a single sheet of paper was placed under the camera (as with McCay and Bray) or whether it was comprised of several pieces pressed together under glass.

As a result of this, Barré developed what he called the 'rip and slash', or 'slash and tear' method of animation, which Barrier (1999 : 13) describes as a process that entailed

tearing holes in the paper drawings so that, for instance, the moving part of a character's body was visible on one sheet while the stationary part was visible through the hole, on another sheet under it. When the two sheets were laid together, the camera saw them as one (at least if the torn paper's edges were feathered adequately), eliminating the need to redraw the stationary part.

As many commentators have argued (Crafton, 1993; Barrier, 1999) such an approach to animation could have used torn backgrounds as well as those of the characters, but Barré chose to use translucent sheets (celluloid) on which he pasted or drew the backgrounds. As Barrier continues, 'putting such a sheet over the animation drawings separated the characters from the backgrounds more effectively than Bray's invention did' (p. 13). Barré's method did however create its own problems. The backgrounds were actually on top of the characters when they were supposed to be in front of them. To overcome this, backgrounds had to be positioned high on the screen so that they would not interfere with the characters. However, when this occurred, which was often, the animator had no other option but to retrace the background drawing onto the animation drawing for the duration of the disturbance. This led once again to increased amounts of inefficient and unnecessary work.

The slash and tear technology continued to find favour within the industry for a while at the Pat Sullivan studio (Felix the Cat) until around 1925 (Canemaker, 1991 : 106) and the Max Fleischer studio (Betty Boop *et al*) until 1929 (Langer, 1991 : 16; Maltin, 1987 : 89-90). However, it was not to be the principal technique that would ultimately revolutionise the industry. This would come from cel animation, a technology that became a central technique in cartoon production from around 1915 (Halas and Manvell, 1959).

The basic elements of cel animation were devised and developed by Earl Hurd. Hurd devised a system for separating characters from backgrounds in a manner that surpassed that of Bray and Barré. Barré, strangely enough, is often reported as not patenting anything that he devised, so Hurd filed for a patent in December 1914. This involved drawing the animated figures directly onto translucent sheets of paper and celluloid, painting them and then placing them over a single background drawing when they needed to be photographed.

When Hurd applied for his patent, Bray's method of animation that caused problems with the backgrounds was starting to prove inflexible. This began to affect the content of Bray's cartoons, which are often not dictated by the narrative but rather by the backgrounds. This often resulted in all the action in a particular scene taking place on the far left side of the screen (Barrier, 1999)

When Hurd's patent was granted in June 1915 he went to work for Bray, and taking his patent with him, helped to solve many of the production problems that were dogging Bray at that time. Bray and Hurd eventually combined their patents, refining the technology further and leading to the Bray-Hurd Process Company. However, through these patents it appeared that Bray was trying to make a claim to the art of animation as his domain. Through this he tried to emulate the Motion Picture Patents Company's efforts to license all cartoon production and exhibition. Such a move led to litigation that started in early 1915.

By 1918 Bray's patents were being surpassed technically by other cartoon makers. Other methods had begun to be developed that produced cartoons to a regular schedule by not only exploiting the flexibility that separating characters from their backgrounds gave, but by implementing other shortcuts (Barrier, 1999 : 16). For example, they used replication cycles in which a few drawings representing a single movement (such as a stride in a run) were seen over and over.

There is no doubt that cel animation technology provided the means to save huge amounts of labour in the production of cartoons (Bryman, 2000 : 458). It is this more than anything that was largely responsible for its rapid take up within the

industry. Cel animation quickly became the focus of a book by Lutz (1920) that soon established itself as the authority on the production of animation strategies.

Ultimately, it was after reading this book that animation had such a large impact and influence on a young Walt Disney and his contemporaries (Merritt and Kaufman, 1992 : 56). Furthermore, it is easy to see how this method quickly became associated with an increasingly rationalised approach to cartoon production that incorporated facets of both Scientific Management and Fordism more generally. Clearly these strategies allowed cartoons to be produced at greater rates, while making animation a more commercially viable prospect than was possible during the early days of McCay. As Bryman concludes, 'studios were increasingly organised around an assembly-line approach based on a high degree of specialisation' (2000 : 458). This model was quickly adopted by other studios.

A new language soon arose from this to help describe the various divisions of work that existed within the specialised roles that were emerging as a result of rationalising the animation process. Terms such as in-betweeners, tracers, opaquers, story personnel and so forth were soon developed.

While it is not necessary to provide an account of the duties involved in each role, it is clear that this division of labour helped to ensure that the animator did not waste their time with menial, unskilled jobs, that could be passed on to other people. For example, even with minimal drawing ability, other less-skilled people could be employed as tracers or inkers, freeing the skilled animators to produce the drawings. Such tasks do 'not require the originality, skill or ability of the original artist' (*Film History*, 1988 : 248).

What Hurd had created was 'a framework for relatively unskilled work being used for drawing backgrounds and other non-moving portions of frames, and the painting of objects' (Bryman, 2000 : 461). Such task delegation would be of prime importance in the success of producing something as ambitious as *Snow White*. Norling and Leventhal (1926) argue that this process reduces the skilled animators' work by 'by about 'three-fourths' (p. 59), thus taking much of the tedium out of making an animated cartoon (p. 60). However, these production strategies were also responsible for deskilling and dehumanising the drawing of animated cartoons.

This increased specialisation in production was quickly adopted by other studios, but it was not until the 1930s that the assembly-line Fordist approach became the standard production strategy as a result of increased levels of sophistication (Deneroff, 1987). Soon, studios were divided up into separate departments that specialised in one area of production: animation, story, timing, inbetweening, inking,

painting, camera, music, sound and so forth. Each department would have its own manager and assistant manager who would then delegate / coordinate tasks to other members of their department (ibid.).

Disney was quick to realise the benefits of rationalising his studio in this way. Inter-firm networking was not that common during this period, mainly because everything was produced 'in-house', and thus the only external networks that needed to be coordinated came in the form of supplier networks for the raw materials needed to produce the cartoons coupled with distribution and finance networks. Owing to increased specialisation, production networks were largely based on the 'intra-firm' model. This referred to the manner in which individual departments within the same company communicated with each other. By utilising these processes, Disney turned his company into a cartoon factory, a 'storytelling organization' (Boje, 1995), that used 'the utmost speed and efficiency which modern industrial methods . . . [would] permit', making it 'a system as truly of the machine age as Henry Ford's plant' (*Fortune*, 1934 : 88). Disney effectively rationalised animation production and led the industry (Cabarga, 1988).

However, Disney was not the first to organise his studio around the assembly-line style, with Barré first organising his production strategies around such a principle (Crafton, 1993). Barré's use of his slash and tear system saw him employing the same type of Taylorised organisation of production as Bray and Hurd would come to use for cel animation. As Bryman (2000) argues, both methods saved time on labour mainly because backgrounds did not have to be redrawn. For Bryman, this serves to raise the question of why cel animation survived and prospered through various configurations, while the old slash and tear technology eventually disappeared. The issue is particularly salient when one considers that with cel animation, producers had to pay a royalty to Bray-Hurd. The slash and tear system was not a patented technology, and as a result belonged in the public domain. In addition to this, paper was much cheaper to buy than celluloid sheets making this production method much more cost effective than that devised by Bray-Hurd.

The main reason the slash and tear principle fell out of favour was because of aesthetics. Once production methods become rationalised to the point of being able to deliver a regular animated series, the much larger problem of figuring out how to make these properties appealing to audiences soon began to dominate. The slash and tear series had the disadvantage of falling into monotonous compositional patterns because moving figures had the habit of remaining centrally located (Crafton, 1993). Animators simply could not remove or cover up any of the background lines. This had

the effect of characters appearing to float in large white areas. Bryman (2000) adds to this by pointing out that 'the process was more time-consuming and less easy to streamline for assembly-line production' (p.460). This was mainly because of the need to cut out the moving objects rather than superimpose them (as in cel animation). Perhaps the simplest reason of all, though, was that the specialisation of jobs was much harder to achieve under the slash and tear method than it was by using cel animation.

Langer (1991 : 15-16) certainly seems to concur with this view by suggesting that slash and tear methods did not fully allow inbetweening. Furniss (1998) meanwhile argues that assembly-line production was only really possible with cel animation techniques. Bryman (2000) feels that cel animation was much more effective in being able to reproduce moving parts, which could easily be transferred onto clear sheets and then superimposed onto non-moving parts. This immediately removed the need to constantly redraw backgrounds. These more routinised, labour intensive jobs, could then be given to relatively unskilled workers thus allowing the assembly-line strategy to become increasingly rationalised.

Bryman (2000) further makes a point that will be of increasing importance later in this section, that the rationalisation of production led to increased levels in the specialisation of labour, and that the studios became increasingly hierarchically organised. Disney quickly became the exemplar model of such a structure: with Walt at the top; animators next; inbetweeners at the next level, while inkers and so forth lay towards the bottom. This tiered structure often resulted in increasing variations in wages. It was such a structure, among other things, that led to the 1941 strike at Disney.

Much of the way that these studios operated through increased levels of rationalisation can be further viewed through George Ritzer's (1998, 2000) concept of 'McDonaldization'. Ritzer's dimensions of efficiency, calculability, predictability and control are illustrated through the main production stages of most animated cartoons. Disney exists, even today for non-Pixar produced properties, as the most salient example. The dimensions of McDonaldization are briefly summarised in table 2.1 over the page

Table 2.1

Applicability of McDonaldisation to Disney Animated Productions

Dimension	Example
Efficiency	Ability to produce a regular cartoon series, and later animated films, with the speed and productivity similar to that of a mechanised production factory
Calculability	This dimension is quite hard to apply. Possibly it can be seen through the studio's ability, with time, to determine exactly how much material was required and how many workers would be needed to achieve the final product. Additionally, it can also be used to determine the success of a property through tickets and merchandise sold. NB - this dimension took time to perfect with the animated films, especially with <i>Snow White</i>
Predictability	Able to produce a property whose aesthetic qualities were constant and predictable. This also soon applied to themes and narratives that quickly became known as 'Classic Disney'
Control	Walt's tight control over all aspects of the production process, and as co-ordinator of all parts of internal (and later) external networks of production and distribution
Irrationality of Rationality	The negative aspects of McDonaldisation. This examines how increased rationalisation can lead to inefficiency, unpredictability, incalculability and loss of control.

Certainly the routinisation of labour within the Fordist approach adopted by Disney still dehumanised labour in the same manner as the initial approaches of production in the early 1900s. However, through the dimension of control, Walt ensured that quality never suffered as a result of increased specialisation.

This section has highlighted how, through various advances in technology, the early pioneers of American animation were able to transform a complex, time consuming and labour intensive operation into a production process that became highly rationalised. Through the routinisation of labour, efficiency and predictability became easier to control. Production of cultural properties generally within Hollywood,

quickly began to take the form of other industries through the application of scientific management and Fordist strategies. While such production techniques would later come to be highly criticised by Adorno and Horkheimer (1979 [1944]), leading to the production of culture being seen as an 'industry', the mode of organisation that innovators such as Bray developed would soon become incorporated into the business strategies of all animation studios. Later studios would then perfect and refine these further.

It is Walt Disney, though, who is responsible for perfecting these institutionalised practices and streamlining them to produce one of the most efficient animation studios. How exactly he developed and perfected these through a range of synergistic strategies can now be examined in relation to *Snow White*.

Snow White and Rationalised Production

George Ritzer's (1998, 2000) 'McDonaldization' theory of rationalisation has been amply demonstrated by him through his numerous applications of the process to everyday life. Through this, he has also shown the links that exist between his model and Weber's theories of rationalisation (Ritzer, 1998). Other commentators (e.g. Bryman, 1995, 2004) have also applied McDonaldization to other facets of society to illustrate how services, and life in general, have all become highly rationalised.

What is central to Ritzer's model is that McDonaldization works best as a concept in relation to services, while *Snow White* is a product. However, in a previous study that was undertaken that used popular novelist Stephen King (Vaughan, 2001) as a case study, it was shown that McDonaldization can also be used to refer to products. Within his studies, Ritzer identified four aspects of the McDonaldization process: efficiency, calculability, predictability and control - as outlined in the previous table.

Table 2.1 illustrated how the process of McDonaldization can be applied to Disney production. These dimensions can be summarised as: efficiency, performing a job as quickly as possible, usually with the least amount of money and time spent; calculability can be illustrated with the quantitative aspects of the products sold; while predictability offers a guarantee that products will remain the same over time. Finally, the control dimension - among other things - seeks to exert control over workers within the production networks. However, this can also apply to control over consumers through synergistic marketing techniques.

What the application of McDonaldization achieves is a framework that provides a clearer understanding of how economic synergy at the level of the firm was coordinated under the rationalised style of Fordist production.

Efficiency

It became clear to Disney early on that if he were to produce something as ambitious as a full-length animated film he would need to not only improve animation techniques but expand his studio. His implementation of such a production strategy entailed teams of animators working together, with other, more menial roles, delegated to others so that the skilled animators were freed up to concentrate on their drawing. Disney then placed certain animators in charge of developing the individual characters in the film to ensure continuity. Each job type (writers, inbetweeners, inkers, sound, layout etc.) was housed within different departments. Each department was headed by an assistant director, who reported to the principal director (David Hand) who reported to Disney. Rationalising labour in this way ensured that more work could be achieved in less time, as already outlined. However, this still did not prevent Walt from travelling from work station to work station to personally supervise every step of production (Eliot, 1993).

First, Disney instructed Don Graham, a teacher at Chouinard who taught classes at the Disney Art School, to recruit new animators. Graham selected around three hundred artists (Thomas, 1991 : 66) all of which were trained either as architects or commercial artists who could not find work in depression America. Such an economic situation worked to Disney's advantage, as without it he would never have been able to employ such talented people for the rates he paid.

Disney immediately laid the grounds for what he called a 'systematic training course' (Barrier, 1999 : 142) that differed significantly from the courses the studio provided to new hires. This course enabled Disney to avoid employing experienced animators. This meant that he could save on wages by not having to pay them as much as their more experienced, older colleagues. In addition, he could train them exactly as he wanted in the production methods and principles that he needed. These methods had begun to be developed since the Silly Symphony shorts. More experienced animators would already have 'bad habits' ingrained in them that Disney would have to try and change. This way was far easier.

Before work on the animation could start teams of writers began to prune and polish the story sequences on which the animation would begin. Walt oversaw all drafts and was intricately involved in the story process. These regular story meetings

were always presided over by Walt, and this adds weight to his controlling nature (see later section). It is during these sessions that Disney clarified his 'vision' of *Snow White* to the writers. However, this seems at odds with other commentators who feel that working conditions were made more difficult because of his *lack* of clarification. Eventually, animators took to sneaking into each other's departments in the hope that they might find some idea as to what Disney's 'grand design' was (Eliot, 1994). It seems therefore ironic that Disney wanted to rationalise production as much as possible so that money and time could be saved, yet his 'instinctual' perfectionism threatened to ruin these strategies.

During the mid 1930s live-action screen acting seemed far more natural than in the 1920s. It was against this type of naturalism that audiences would judge Disney's animated feature. How Disney was going to achieve this, particularly within his efficient production system, was another matter. He decided to capture the sense of realism required by the physical movements of Snow White by filming a young dancer called Marjorie Belcher (later known as Marge Champion). Belcher had been previously used by Disney as a model for the lead in the 'Silly Symphonies' *The Goddess of Spring*. This was one of several pre-*Snow White* 'test-runs' to develop new animation techniques, so that when work came to be performed on *Snow White* all the required animation techniques would be in place - making the production more efficient. Animators could not always think of everything in their head and such a simple task as rising from a chair could take a long time to animate without references. This would work against the efficiency of rationalised production strategies that were being implemented.

Disney chose live-action because his animators would tend to look into a mirror and use what they saw as reference points. Disney felt that although his animators were good, they made poor actors, performing in a stiff way. Also, with more than one animator working on the project, using a live action version gave the required amount of consistency to the animation similar to what was possible within a short cartoon when only one animator worked on a character throughout production. Belcher was therefore filmed dancing and acting out key scenes from the film on the studio's soundstage by Arthur Babbitt, who then broke the film down frame by frame to decipher Belcher's movements.

For scenes that contained dialogue, Belcher would 'act in synchronisation with the soundtrack, so that the timing of her action would match the timing of the dialogue' (Barrier, 1999 : 195). Occasionally props were added to the set, such as hanging ropes to illustrate tree branches that would grasp at Snow White as she fled from the

Queen after hearing of her designs to kill her. Such effects allowed animators to see how the character worked in three dimensions, while being able to visualise more easily how things such as her dress moved and shifted.

However, while this made the process of animation more efficient by allowing animators to see how things reacted in real life, Disney did not want them to rely on the footage. Although he made tracers work directly from the frames of the live-action footage as Fleischer had done for his rotoscoped cartoons of the 1920s, Disney did not want these tracings used as animation. Rotoscoping could not always distinguish the important from the unimportant, while an animator's drawing could more realistically convey a character's shifting center of gravity; providing a sense of weight and mass. Tracing a figure could do nothing more than show where things went.

For this reason, animators used traces merely as guides in their own animated drawings of Snow White - altering her proportions, reactions and appearance when required (Barrier, 1999 : 196). The same techniques were used to animate the dwarfs, with studio personnel, along with three real dwarfs, playing the parts. However, with the dwarfs the central importance of developing characteristics and mannerisms became even more important. There is little doubt that live action filming dramatically speeded up production while increasing efficiency and realism (e.g.s. Barrier, 1999; Eliot, 1994; Holliss and Sibley, 1987; Maltin, 1973; Thomas, 1991).

One other major area that benefited from increased efficiency was Walt's desire to achieve a technical standard that was far superior to that of his competitors. Apart from taking the decision to use the new colour system developed by Technicolor, other technical problems had to be overcome by the studio. First, all animation drawings up to the production of *Snow White* had been produced on sheets of paper measuring 240mm x 300mm. These were then traced onto sheets of celluloid of the same size, before being painted and photographed. The camera would then either photograph the whole drawing or select a part for a close-up. The area being photographed was called the 'field'. The maximum area of this field was determined by the size of the sheet. For a 240mm x 300mm sheet, the maximum area was known as the 'five field', and it quickly became obvious that in order to animate *Snow White* effectively and efficiently, a larger field would be required (Holliss and Sibley, 1987).

Using the five field for *Snow White* would mean that animators would either have to work in miniature, or draw parts of a scene over numerous sheets. Both approaches would be not only inefficient, but would introduce inconsistencies and increase costs. To overcome this, the field area had to be increased to a 'six-and-a-half field' (318mm x 406mm). While this solved the problem, it still resulted

in increased costs as new animation boards for the animators, inkers and painters had to be designed, built and installed. In addition, the cameras also had to be adapted to use this new, increased size. Scenes could now be drawn and photographed with far more precision and ease, thus increasing efficiency and consistency within production.

However, this did not solve all the problems. If the camera had to move between a long-shot and a close-up, any figures in the background would have needed to be drawn on an impossibly small scale. This was eventually overcome by devising a method that photographically reduced the animators' drawings to the required size.

One significant problem that Walt had to overcome to make his animated feature seem realistic, was the ability to provide the audience with a feeling of depth. The photography of cartoon backgrounds had remained relatively unchanged from the days of Barré and McCay when Disney decided to produce *Snow White*. Drawings of characters were still placed on-top of farms or forests or whatever backgrounds were required. These were then photographed with a stop-animation camera. This did not allow animators to be as fluid and mobile as a camera on a live-action set. When a camera zooms in for a close-up, the audience's view of objects in the foreground and background will change the closer the camera approaches its subject. Walt needed to be able to dolly in and out of scenes and capture characters and convey a sense of 'depth' with total realism.

This problem was solved by William Garity, who was head of the studio's camera department. Garity developed what he called the 'multiplane camera' that was used experimentally to film the 1937 Silly Symphony *The Old Mill*, which won an Academy Award. It measured fourteen feet in height and cost \$70,000 (Thomas, 1991). The camera was positioned above the art work, as with conventional animation. However, instead of the drawings being placed on top of each other, they were separated onto glass frames. So, the bottom layer may contain a drawing of a landscape, and the next may be of a road. The next one may then contain a car, while the top layer may contain sky and clouds. When the camera, positioned overhead zoomed in, the sky would disappear from the scene. Then the car would disappear as the camera continued to move in past the road for a close-up on the landscape. Each layer was lit separately, with the lighting being adjusted to assure that the colours were consistent with each exposure.

Caution though should be taken as to exactly how central a role the multiplane camera played in the production of *Snow White*. While it was undoubtedly used to significant effect within the forest scenes, it was unlikely used as widely as some Disney commentators make out. The operation of the camera was quite a laborious

process. Should any one frame be slightly out, then the whole shot would be ruined. It also had a problem with dust accumulation on the image surface. In this respect the camera could often prove to be very inefficient, thus working against the highly rationalised Fordist strategies that Disney was trying to implement (Langer, 1992). However, the frequency of its use diminished throughout the 1940s due to economic consequences (*ibid.*), illustrating the camera's lack of true efficiency. It did, however, allow Disney to differentiate his films from other cartoons.

Control

It is apparent from the previous section that Disney rationalised labour and production by exercising control over both the animation directors and production networks more generally. In this sense, economic synergy is played out through the way that Walt was able to coordinate the various internal and external networks of production that existed within his studio.

The way these networks were managed throughout the industry had an significant effect on the strategies employed. This gave greater creative freedom and autonomy to some directors compared to others. While other animation studios of the time may have allowed such degrees of freedom, others decided to focus it on a couple of individuals (Bryman, 2000 : 462). Disney, however, largely seems to operate outside this view. Up until the late 1940s, Walt devised tight controlling strategies that allowed him to manage his directors. While the Disney studio may have had large budgets, many workers would have been glad to sacrifice this in order to obtain the freedom found in other studios (Kinney, 1988 : 130).

It has already been shown how Disney himself controlled the creative process, especially the early stages of story and narrative development. He further used scripts and storyboards as another means of controlling production (Barrier, 1974; Bryman, 2000; Culhane, 1983; Langer, 1991). The story department existed at the apex of the hierarchical pyramid that illustrated the studio's organisation (Bryman, 2000). Disney himself did not actually contribute to the drawing of these storyboards, largely due to suggestions that he could not draw very well (Eliot, 1994). He would, however, exert control through his ideas and suggestions to his teams of animators of what he wanted to 'see'. If nothing else, Disney appears largely to be more an editor and facilitator rather than an animator. Selecting material from what was offered in the storyboards, and making suggestions as to how it could be improved was his main contribution. As the 'leader' of the creative process, it was Walt's role to coordinate and motivate workers (Finch, 1988). Instead of being given the autonomy of developing ideas as

they saw best, and incorporating their own personalities into their work, directors had to ensure that properties clearly illustrated Disney's view of what people should see. When directors were given [some] supervisory control, they tended to exercise the same tight control as Disney, if not worse, owing to their feelings of insecurity (Bryman, 2000; Maltin, 1987).

During production of *Snow White* Walt's control was channeled through the numerous story conferences that were regularly held. This helped to ensure that every node within the production network was clear as to what was expected, when and where. By providing a clear plot, Walt's creative aims and objectives could be better controlled and communicated.

As the previous section suggested, Disney's perfectionism took his level of control to unusual lengths. This usually increased the length of time spent on any one section, and was probably responsible for the costs and duration of production overrunning. While Disney was eager to rationalise production, his perfectionism was constantly running against it. For example, 'Walt personally supervised every step of production, constantly traveling from workstation to workstation, appraising sketches, revising story elements, giving a green light to proceed only when he felt the essence of what he wanted had been captured' (Eliot, 1994 : 94). This though only confused animators, who often took to sneaking into each others' departments for clarification of what Walt was trying to achieve.

Disney would further ensure that his ideas were as clear as possible by acting out many of the key stages. These often ranged from certain key scenes on the one hand, to the entire film on the other. This was mainly to ensure nobody had anything wrong. However, as storyman Joe Grant recalled, 'each time he [Disney] retold the story, it seemed to have completely changed' (quoted in Eliot, 1994 : 95) thus adding further to animators' confusion.

It was this control over creativity that led to many animators and production staff to feel that their efforts were not receiving the recognition they deserved. Disney tended to take all the credit for something that was very much a team effort. His desire to control all the networks of production - even though he could not draw or write that well - angered those that could, inasmuch as Walt was treating their abilities as his own. This dissatisfaction from Disney staff grew when all the properties that were produced came under the single producer credit, 'Walt Disney Presents'. Disney's refusal to acknowledge and fairly compensate their contributions is another factor that fanned the flames of the 1941 strike. Public recognition also meant higher pay, and Disney's staff felt shortchanged.

In addition, when the studio had to cut salaries to satisfy its accountants, Walt's brother, Roy, cut salaries by 10 percent uniformly across administration. Walt, however, using his desire for control, decided to take a different approach within the 'creative' departments that he ran. He decided to cut salaries of those people that he thought were being overpaid, while asking others who were more loyal to him to help save costs by taking a cut that they thought they could stand (Barrier, 1999 : 283). The fact that Walt's idea of loyalty was extremely capricious, coupled with the already growing dissent from staff over creative freedom and recognition, only served to heighten the dissatisfaction that culminated in the 1941 strike.

Disney's levels of control were not limited solely to managing internal networks of production. He also played a significant role in managing external networks that exploited further economic synergistic strategies. These include developing economic synergistic networks to help fund the construction of Disney Land and to diversify his production strategies more generally through examples of cultural synergy and his own distribution company, Buena Vista Distribution, in 1953.

Towards the end of 1937 Disney's initial distribution deal with United Artists (UA) was nearing its end. However, in order to continue their agreement UA required Disney to sign all the future television rights for his current (and possibly) future catalogue of properties over to them. While at the time the impact and possibilities of television were not known, Disney was keen to keep to his long-term strategy of retaining ownership and copyright to all his films. Had he signed the deal with UA, the future of the company may have turned out differently, as Walt would not have had the right to exploit his properties in the way he eventually did. Furthermore, it is likely that Disney Land may have never been built, as he would not have been able to enter into an agreement with ABC (Eliot, 1994; Holliss and Sibley, 1987) to fund its construction.

Unable to accept UA's terms, Disney ended their relationship. He then negotiated a new contract with RKO. Walt forged a deal that provided him with not only a means of distribution but economic advantages also. The RKO deal 'included increased advances for all shorts and a guarantee to distribute *Snow White* sight unseen' (Eliot, 1994 : 99). Even so, the loss of UA at such a critical time in the production of *Snow White* did threaten to disrupt the studio's schedule.

Walt's ability to control and manage external networks through economic synergistic strategies can also be seen through the way in which the early Disney properties were funded. In her analysis of how the American entertainment industry was financed, Janet Wasko (1982) argues that Disney is an example of how one company forged and maintained close associations with one bank over time.

During the early 1930s Walt made deposits and established a line of credit with the Bank of America who funded many of Disney's animated feature films. These funded cartoons were then distributed initially with UA. The cost of *Snow White* was first budgeted in excess of the \$400,000 credit that Disney held with the bank at that time. The original loan was \$630,000, but supplementary funds totaling \$1,182,000 were provided by the bank during the production in 1936 and 1937 (Wasko, 1982 : 172). However, additional security was only provided to Disney by the bank's loan officer, Joe Rosenberg, after he had seen where all the money was going. Walt's ability to persuade Rosenberg of the potential of *Snow White*, with only incomplete animation and dialogue soundtrack at his disposal, is another example of his charismatic leadership and controlling nature more generally.

Predictability

If the success of Disney had to be broken down into one word, 'predictability' would be an extremely effective one to use. The popularity of Disney as identified by the 'Global Disney Audience Project' (Wasko et al, 2001) showed how the dimension of predictability largely accounts for this. Clearly, with the theme parks people already know what they are going to experience before they arrive. The same can be said for Disney properties, especially those animated films produced during the late 1930s and 1940s that helped to establish the Classic Disney canon of themes and values.

Predictability is played out through Disney properties generally through its repetition of themes and nostalgia - especially in the theme parks and cultural synergistic strategies. Disney's deployment of this form of synergy largely reduced the quality and diversity of the properties it offered. The section 'Disneyfication through Nostalgia' of this chapter looks in more detail how this degree of predictability emerged, and the role *Snow White* played in helping to establish it.

Calculability

The order that Ritzer usually identifies the dimensions of McDonaldization has been changed in this chapter. This is mainly because there exists clear evidence of how Disney's rationalised production of *Snow White* under Fordist strategies conforms to the three aspects of Ritzer's model already outlined while there exists less evidence concerning this last dimension. Ritzer argues that the calculability aspect is centrally concerned with issues to do with 'things that can be calculated, counted, quantified' coupled with 'a tendency to use quantity as a measure of quality' (1993 : 62). In this

light it is hard to see how production of a cultural property such as *Snow White* fits into any illustration of calculability.

Certainly one aspect that could be considered was the ever escalating cost of production as Disney strove for higher quality in the eventual property. Another aspect of the 'more is better' argument can also be seen through Walt's desire to see more activity in the background of scenes. This can include not only the animals of the forest, but the increased level of detail that is provided within the dwarfs' cottage and throughout the film in general. Being the first animated feature to use colour also increased the quality of the film and heightened the realism of *Snow White*. By ensuring that scenes contained varying shades and contrasts, imagery and realism

were increased while providing a means to create and manipulate tension and atmosphere. These elements were all firsts for what was basically a long cartoon.

The illustration in Fig. 2.1 shows the poster that was used to launch the film. Much attention is given to the scale of the production. From the statement that *Snow White* is Disney's 'first full length feature production' emphasis is given to the longer running time. The fore-grounding of the characters provides a sense of the complexity of the narrative. Before *Snow White*, it was not common for a cartoon to feature such a large

Figure 2.1 - Promotional Poster for *Snow White*



number of different characters. The poster also provides a hint of the scale of the film, not just in terms of character, but through the castle in the background.

The figure 'seven' is used, coupled with the statement that the film uses multiplane technology. As the 'efficiency' section showed, this allowed multiple frames to be handled so that not only could more elaborate shots be made, but more material could be placed in each frame. This provided animators with the ability to utilise the techniques used in live-action films to increase realism within an animated setting.

The efficiency dimension also showed how commentary surrounding the production of the film illustrates the large number of people who worked on it and the long hours they put in. 'In Walt's opinion, the "girls", as he called them, were always so much more cooperative than the men, eager to work all hours of the day and night, six days a week, seven if necessary, for their "hero" (Eliot, 1994 : 89).

Calculability is also used to measure the success of *Snow White*. During its initial run the film played to more than twenty million ticket buyers, while grossing more than \$8 million during a time when the average price of admission was 25 cents (ibid. p. 102). Merchandise provided even more revenue (see later section: 'Cultural Synergy and Snow White'). By the time of its re-release in 1993, *Snow White* had grossed more than \$100 million (ibid.) and had been dubbed into ten languages and distributed in forty-six countries. The film produced three hit songs that also went on to add to the income obtained through merchandising. At the 1939 Academy Awards, Disney was presented with a second Special Award that took the form of a full-size Oscar and seven smaller ones.

Irrationality of Rationality

Ritzer (2000) refers to this as a means of describing the negative aspects of his McDonaldization model, or how rationalisation can lead to inefficiency, unpredictability, incalculability and loss of control. This can also be extended into the quality of production, inasmuch as Fordist styles of production are disenchanted as they have tended to lose their magic and mystery. Ritzer also argues how rational systems tend to largely dehumanise the work force by reducing them to almost robot like mechanisation.

While there is no intention to dwell on this section, it is interesting to note that the production of *Snow White* also led to several 'irrationalities'. Chiefly this can be seen through the limited creative freedom that workers had and their general lack of control over the properties that they worked on. Rationalisation strategies, while streamlining the production process and making it far more efficient, also arguably robbed the industry of a great deal of its magic and mystery by industrialising creative production through Fordist strategies. As the next section will show, this concern with work and standardisation is largely echoed throughout the narrative of *Snow White* in its imagery and songs. The idea of the American work 'ethic' also quickly became a dominant feature of Class Disney.

Disney's perfectionism, and controlling nature in general, also threatened to make his production system inefficient. His constant need to supervise all parts of

production and not allow his director more freedom frequently muddled the creative channels.

The dimensions of unpredictability and incalculability are difficult to see directly with *Snow White*. One way they could be considered is when Britain initially gave the film an 'A' certificate and advertised it as unsuitable for small children - which was its primary audience - until its re-release in the mid 1950s. They do, however, become more prominent later in the company's history. Films such as *Pinocchio* lacked the sentiment and human appeal of *Snow White* and did disappointing business (Thomas, 1991). Eventually, the company's properties after the death of Walt Disney closely focused on his predictable themes that many cinema audiences no longer found appealing. This led to a crisis at the box-office with the success of any Disney related property being very unpredictable. Such a trend prompted the employment of Eisner and Wells who had to turn the company's fortunes around by devising new economic and cultural synergistic strategies.

Economic Synergy and Rationalised Production

The previous sections of this chapter have shown the impact that synergy has on the lives of cultural workers within a highly rationalised workplace. While the loss of control is something that was experienced more by Disney workers than those employed by other leading animation studios of the time (i.e. Warner Bros. or MGM), the dehumanisation of the workplace is most common under Fordist strategies.

However, one other salient point to emerge is that there clearly exist fewer opportunities for developing and exploiting the characteristics of economic synergy at the level of the industry under Fordism. This would appear to be mainly due to everything being coordinated and controlled 'in-house', with the exception of funding. While Disney did reinvest profits back into production, this was certainly not enough during the early years to sustain the production of something as grand as *Snow White*. As this chapter has shown, such an approach dramatically increases the financial risk in producing a property. This production risk is unable to be spread over other companies as in post-Fordist flexible specialisation, whereby other companies may join the production network in the form of joint ventures and so forth.

This risk is demonstrated by *Snow White*, whose production nearly bankrupted the Disney studio. By not being able to fully develop external networks of production and labour, Disney was responsible for everything. Owing to Walt's obsession with control, establishing full networks to exploit economic synergistic strategies would have

meant him sharing control of his properties with other companies - something that he was against.

It is only through the success of his cultural synergistic strategies that Disney was able to sustain Fordist production for so long. However, the studio was regularly in debt to the Bank of America who had approval of Disney's financial policies, even when the studio went public in 1940. It was the failure of Disney to obtain bank funds in the late 1940s and early 1950s that prompted the move into developing diversification strategies. This led the way to establishing networks of production and cooperation with companies 'outside' the Disney studio. Such networks allowed economic synergy to take place at the level of the industry as a risk reducing strategy.

Disneyfication as Nostalgia

Disneyfying the Genre

It could be argued that Disney's main appeal comes through presenting the past in a nostalgic way by recycling stories and themes in a manner that is appealing to modern audiences. These strategies are further exploited by marketing the images and central themes through a series of marketing techniques that are characteristic of cultural synergy more generally. The theme parks can be seen as salient examples of how this works in practice.

As a strategy, this provides high levels of predictability allowing audiences to know what to expect before they have even seen or experienced the new Disney property. These quickly became the characteristics of 'Classic Disney', the process whereby the collection of properties that was produced during the studio's early years helped establish a unique and identifiable style (Finch, 1988; Thomas and Johnston, 1981). It was during this period that Disney set the foundations for his standard framework of storytelling that represented specific values such as individualism, optimism, work ethic, escape, fantasy, magic, imagination, innocence, romance, happiness and good triumphing over evil (Wasko, 2001). These then were quickly taken up to create a well-defined ideology.

The classic folk and fairy tales that Disney adapted as the basis for his films went through a process of 'Disneyfication'. This resulted in the films being not only sanitised but also contributing to Americanisation. Through Disney's cultural synergistic strategies many of his 'versions' quickly became better known than the originals upon which they were based (Koenig, 1997). Thus, the Disney ideology filtered down, not just to Americans, but gradually throughout the world via forms of cultural and American imperialism.

For many commentators (Wright, 1997; Stone, 1988; Wasko, 2001; Zipes, 1995, 1997) *Snow White* was the film that established the canon of Classic Disney. Marshal McLuhan once wrote that 'the medium is the message' (1964 : 7), and it is the medium that plays a critical part in determining the message of its content. He argues that this can be clarified by 'pointing out that any new technology gradually creates a totally new human environment. Environments are not passive wrappings but active processes' (1964 : iv). In essence, McLuhan was arguing that the medium is not a product, but rather a process. This challenges analysts who rely on the content alone through textual analysis to provide them with the 'message' of the story (Stone, 1988 : 54). What this means is that the message can be discovered only through the actual process of creation and dissemination - rather than simply through textual critiques in isolation. Such an argument was discussed in Chapter Four and underpins the reason for using a multidimensional analysis.

The process through which classic tales undergo 'changes' is of course not new to Disney. Stone (1988) and Jones (1979, 1983, 1995) show how even the Grimms' version of *Snow White* was different to the oral versions. These oral versions were largely dependent on who was telling the tale, with each person altering and adapting it to their own views. Stone continues to show how further changes were made when the tale moved from oral to printed and then finally to cinematic form. However, she concludes that the film version represented the most rigid and manipulative version of the tale. The oral version represents the most direct bridge of communication, with both creators and receivers participating simultaneously in the storytelling event (Bauman, 1984). Conversely, both print and cinematic forms separated the experience of performers / artists and audiences. As Stone (1988 : 55) explains,

The oral bridge allows a constant flow of two-way traffic while the bridges of print and film permit only separated flows of traffic, first one way and then the other. In other words, the audience has a far greater opportunity to take part in the telling of a story than is possible while reading a book or viewing a film. This alone could not help but influence the formation of a story in any particular medium.

This is what lies at the heart of not just *Snow White*, but all of Disney's films. Their success in creating and sustaining ideologies comes through their 'closed' status (Eco, 1979). This has significant parallels with work conducted more generally on the active audience (Hall 1980). Disneyfication can be argued to act as a 'mode of address' that attempts to place the audience into a position whereby they 'accept' the

dominant ideology that is being presented to them within the narrative. This implies that through the process of Disneyfication, Walt exercises a form of control and power over the audience to accept his ideologies and themes as correct.

Such a process is consistent with Althusser (1971) and is regularly used in advertising (Williamson, 1978). As the cinematic version of *Snow White* isolates audiences in the way described by Stone, there is less possibility for interaction with the 'creators'. It is the film itself that supplies the sights, sounds and motivations. When audiences see Disney's *Snow White*, for them, it is the only version.

It is also possible to provide a brief account of some of the changes in meanings and values that Disney's versions provided. Arguably, the process of Disneyfication provided children with positive, constructive values - but only as Walt saw them. Dorfman and Matterlart (1975) feel that Disneyfication of the fairy tale genre actually leads to the opposite of what Disney was trying to achieve. In reality, below all the sweetness and light lies a much darker world, a world in which children learn 'envy, ruthlessness, cruelty, terror, blackmail, exploitation of the weak' (p. 35). For Dorfman and Matterlart children learn fear and hatred through Disney (ibid.), particularly when Disney's use of stereotypes are further taken into consideration.

The way in which Disney used the process of Disneyfication to repackage classic European fairy tales to American tastes has been further studied by Colin Sparks (1998). Using the Disneyfication of Winnie the Pooh, he argued that changes were made for overtly economic reasons. By contrasting the A. A. Milne version (the classic Pooh) with Disney's modified one, Sparks identified changes in: appearance, sound, location, language, narrative and character. His analysis outlined how the narrative and style of the Classic Pooh was appropriated to better meet American expectations, even though Disney's version (and merchandise) was to be sold internationally. For Sparks, 'Disney transforms the products it acquires, not into global products, but into American products. It is American products that it sells around the world' (quoted in Wasko, 2001 : 126). Thus, for Sparks, the process of Disneyfication is as much about the spread of Americanisation and the nature of globalisation in general as it is about the way Disney appropriates children's literature.

Jack Zipes (1995) provides a further way of understanding how the process of Disneyfication can work through the concept of 'mode of address'. Zipes feels that Disney has managed to cast a 'spell' over the fairy tale genre by revolutionising it through animation. However, throughout his writings, he appears to feel that this does not really amount to all that much: 'The great "magic" of the Disney spell is that he animated the fairy tale only to transfix audiences and divert their potential utopian

dreams and hopes through false promises of the images he cast upon the screen' (1995 : 39). Zipes believes that the reason why Walt was obsessed with the fairy-tale, is because it reflected his own life-struggles (p. 31-3).

However, as Wasko (2001) argues, perhaps the most compelling of Zipes' discussion of Disney's adaptations comes when he situates them within the evolution of the fairy tale more generally. By tracing the oral tradition of storytelling through to the literary versions found at the end of the nineteenth century, the tales were often 'read by a parent in a nursery, school or bedroom to soothe a child's anxieties. Here, fairy tales for children were optimistic and were constructed with the closure of the happy ending. Being printed, the story also had more legitimacy, while reinforcing the patriarchal symbolic order based on rigid notions of sexuality and gender' (Zipes, 1995 : 26). The move to print also influenced the reception of the tale. 'In printed form the fairy tale was property and could be taken by its owners and read by its owner at his or her leisure for escape, consolation, or inspiration' (ibid. p. 27). Furthermore, 'the illustrations in the fairy-tale books were usually anonymous and served to enrich and deepen the story; in other words, they were subservient to the text' (Wasko, 2001 : 127).

When the tales were adapted for cinematic release the changes were even more noticeable. With the animated film, as Stone has suggested, the images imposed themselves onto the film while forming their own text. Audiences were unable to make up their minds; the preferred reading was played out in front of them through the images that Disney carefully controlled throughout the production process. These images prevented audiences from imagining their own characters and the reasons for their desires and actions. For Zipes, through the dimension of control, Disney became the coordinator of a corporate network that dramatically altered the function of the fairy-tale genre within America. Zipes considers the power of Disney's fairy-tale films to not reside in the uniqueness or novelty of the properties, but rather in Walt's ability to concretise his view of society through animation while using new advances in technology to his advantage (1995 : 39). It is only through the process of repeating his core themes and values (those that are central to the American mythology / ideology) that Disney was able to appeal to audiences.

Zipes then provides an overview that outlines how Disney's adaptation of the literary fairy tale for the cinema led to changes within the genre more generally (ibid.). These are summarised in table 2.2.

These conventions were taken up by Disney in his subsequent feature-length fairy tales to become a very successful formula. This illustrates both the predictability

dimension and Adorno and Horkheimer's (1979 [1944]) claim of 'pseudo individuality' and their concern with repetition found more generally within the culture industry (as they referred to it).

Many commentators, including Zipes, appear dismayed at the way Disney took the innocence of the literary fairy tale genre and violated it by repackaging it in his name through various cultural synergistic strategies. 'Instead of using technology to enhance the communal aspects of narrative and bring about major changes in viewing stories to stir and animate viewers, he [Disney] employed animators and technology to stop thinking about change, to return to his films, and to long nostalgically for neatly ordered patriarchal realms' (Zipes, 1995 : 40). However, we can briefly consider these points in more detail by looking at how *Snow White* itself was Disneyfied.

Table 2.2

Summary of Changes made to the Fairy Tale Genre through 'Disneyfication'

1.	Technique has precedence over story; story is used to celebrate the technician and his means.
2.	The images narrate through seduction and imposition of the animator's hand and the camera.
3.	Images and sequences engender a sense of wholeness, seamless totality and harmony that is orchestrated by a saviour / technician on and off the screen.
4.	Though the characters are fleshed out to become more realistic, they are also one-dimensional and are to serve functions in the film. There is no character development because characters are stereotypes, arranged according to a credo of domestication of the imagination.
5.	The domestication is related to colonisation insofar as the ideas and types are portrayed as models of behavior to be emulated. Exported through the screen as models, the 'American' fairy-tale colonises other national audiences. What is good or Disney is good for the world, and what is good in a Disney fairy tale is good for the rest of the world. By appropriating fairy tales from Europe, and retelling them for American audiences, Disney was able to spread American values around the globe when he sold his properties and products internationally. This perpetuated Americanisation.
6.	The thematic emphasis on cleanliness, control and organised industry reinforces the techniques of the film itself: the clean frames with attention paid to every detail; the precise drawing and manipulation of the characters as real people; the carefully plotting of the events that focus on salvation through the male hero [this point can be also connected to the 'calculability' dimension outlined in the previous section.
7.	Private reading pleasure is replaced by pleasurable viewing in an impersonal cinema. Here one is brought together with other viewers not for the development of community but to be diverted in the French sense of <i>divertissement</i> and American sense of diversion.
8.	The diversion of the Disney fairy tale is geared toward surface viewing. Everything is on the surface, one-dimensional, and we are to delight in one-dimensional portrayal and thinking, for that is adorable, easy and comforting in its simplicity while we allow Disney's ideology to be unconsciously taken in.

Disneyfying Snow White

This section considers in more detail how Disney altered the story of *Snow White* to fit more with his own ideas and values. Such a process would be later termed 'Disneyfication' and has been previously described. The exact reasons behind Disney's choice of adapting the tale of *Snow White* need not concern us unduly. However, it has already been suggested that Disney was trying to make an animated film that closely followed the structure found in live-action films produced more generally by Hollywood during the 1930s. Thomas (1991 : 95) argues how *Snow White* illustrates this by involving the theme of romance with an attractive hero / heroine coupled with menace from an evil villain, while comedy is provided by the dwarfs. *Snow White* therefore expressed many themes whose issues were prevalent in the early 1930s. Examples include: the serious romance; the screwball comedy and the glorification of the heroine (e.g.s. Babington and Evans, 1988; Ward, 1982; Quirk, 1974). Terri Martin Wright (1997) considers each of these dimensions in more detail, paying specific attention to how Disney used them in his version of the classic tale. However, this section will consider how *Snow White* combines all the various elements and changes that were made through the process of Disneyfication to exemplify the characteristics of Classic Disney.

The wider political motivations within American society often influenced Disney's choice of story. For example, the *Three Little Pigs*, *The Big Bad Wolf* and *The Three Little Wolves* (1933, 1934 and 1936 respectively) all centered on fairy-tale characters and stories that resonated with the economic hardship that Americans were experiencing at the time: the Great Depression. '*The Three Little Pigs* was acclaimed by the Nation. The wolf was on many American doorsteps, and "Who's Afraid of the Big Bad Wolf?" became a rallying cry' (Thomas, 1991 : 49). It is by placing the production of *Snow White* against the larger political and social backdrop that formed its production that we can see other possible reasons for Disney's changes.

Zipes argues how for many years, Walt (aided by his brother, Roy, and Ub Iwerks) had been trying to keep the 'evil' connivers and competitors away from his studio. The wolves were not just at the doorsteps of everyday Americans, but also the gates of the Disney studio itself. Walt guarded his company by fiercely protecting ownership of his properties and by later devising economic and cultural synergistic strategies that would ensure his independence through diversification. So, it was not by chance that 'Disney's next major experiment would involve a banished princess, loved by a charming prince, who would triumph over deceit and regain the rights to her castle' (Zipes, 1995 : 35). *Snow White* would be a show piece production that would

not only allow Disney to illustrate his technical and creative prowess, but would also allow him to incorporate elements from his own life story and present them in a way that would resonate with the lives of Americans who were struggling to find hope and solidarity in the midst of the Depression (ibid.).

The changes that Disney made to the Grimms' printed tale are summarised by Zipes (1995 : 36), and are illustrated in table 2.3 below:

Table 2.3

Summary of Changes made to 'Snow White' by Disney

Grimms' Version	Disney's Version
Mother dies / father is alive	No parents
Snow White does not work	Snow White works as a maid, cleans the castle
Prince: 'negligible role'	Prince featured at the beginning and end of the film
Queen: -	Queen: jealous of Snow White
Animals: -	Snow White's friends and protectors
Dwarfs: anonymous, play humble roles	Dwarfs: have names, personalities, starring roles
Queen visits three times	Queen visits only once
Queen is punished by dancing in hot iron shoes at Snow White's wedding	Queen is killed while trying to kill dwarfs
Snow White returns to life when dwarf stumbles while carrying coffin	Snow White returns to life when kissed by the prince

Note:- table based on Wasko (2001 : 129)

From first impressions, the changes would appear to be not that dramatic. However, Disney's version does frame the narrative of women's lives through a male

discourse (Gilbert and Gubar, 1979). It further pits women against women in the competition for male attention through their beauty - ultimately short-lived. It would appear that no matter what happens, women cannot take charge of their own life roles without the intervention, and manipulation, of a male. Disney takes this to even greater heights by providing his prince with a greater framing role. Not only does he appear at the start of the film, but it is while Snow White is singing *I'm Wishing for the One I Love To Find Me Today* (Zipes, 1995). Additionally, he also appears at the end of the film to complete Snow White's dreams and desires.

One common point among both versions is that they largely deal with the domestication of women. In the original version, when Snow White arrives at the dwarfs' home she pleads with them to let her stay by promising to cook, clean and repair their clothes. In Disney's version, when she appears at the cottage the dwarfs are not there. Seeing how dirty it is, she persuades the animals to help her tidy up in the hope that the dwarfs will let her stay. She encourages them further through acts of solidarity by asking them to 'whistle while you work'. While Disney does nothing to move away from the domestication of women, he does not overly dwell on it either. Rather, he tends to favour the celebration of the underdog and the 'other'. Through this he can then 'celebrate the American myth of Haratio Alger: it is a male myth about perseverance, hard work, dedication, loyalty and justice' (Zipes, 1995 : 37).

In fact, references to labour and work abound throughout the film. It is not surprising that, given that the film was produced during the Depression when work was not in plentiful supply, the central core theme of the film revolves around encouraging people to 'pull together' during the depression. These themes of labour and cooperation provide a sense of socialism, something that 1930s American democracy highlighted (Milton, 1982).

Music once again features heavily in providing solidarity, with songs such as *Hi ho, it's off to work we go*. Additionally, while the dwarf's own a diamond mine they place little value on the jewels, instead valuing hard work. This is illustrated by the song: 'We dig up the diamonds / By the score / But we don't know / What we dig them for'. The dwarfs' 'determination is the determination of every worker, who will succeed just as long as he does his share while women stay at home and keep the house clean' (ibid.). The symbolic 'pulling together' theme can also be interpreted as a possible reference to the labour union movement of the time (Wright, 1997 : 107). This is ironic, seeing as it was the labour unions that nearly cost Disney his studio during the 1941 strike.

The theme of innocence is played out within the film not only in the way that Snow White is so trusting of everyone, but also through her own name. Cleanliness, another theme of Classic Disney, is portrayed through Snow White constantly cleaning and tidying, and through the dwarfs' washing song. Good does finally triumph over evil, with the Queen / Witch eventually dying and Snow White being rewarded through the fulfillment of a romantic relationship.

Walter Benjamin (1973 [1936]) argued how the mechanical means of reproduction were revolutionary. For Benjamin, the revolutionary technological nature of the film medium could either result in the aestheticisation of politics, or a politicalisation of aesthetics that provided 'the necessary critical detachment for the masses to take charge of their destiny' (Zipes, 1995 : 30). For Disney, these 'revolutionary' aspects were achieved through the fairy-tale form by providing audiences with a narrative that expanded their values and perspectives and allowed them far greater self-awareness of social conditions and culture.

However, the down side to this was that any understanding that audiences took away with them concerning social and culture change was Disney's. In this sense, the use of mechanical reproduction brought about the 'cult of the personality and commodification of film narratives' (ibid.). The image is all, and the words and narrative of the characters is tightly controlled by the animator; in this case Walt himself, who dictated what should and should not be included. Disney sought to impress audiences with his stories by using cartoons in a manner that would make people forget the original tales. Instead, Disney's versions became the 'only' version. By using cultural synergistic strategies more generally, greater 'reach' was provided in encapsulating the central themes and values to audiences outside the cinema - such as the playing the songs on the radio and then selling them on record. Disney appropriated both literary and oral versions of fairy-tales largely for his own ends. In a sense, he 'cultivated' his audience via his catalogue / repertoire so that over time what people came to expect was exactly what he wanted to give them (thus providing a nostalgic structure of feeling). This fed back into the Disney 'ideology' and helped ensure that the properties were a success (Gans, 1957). This was also aided by higher production values and innovation.

The role that cultural synergy played in allowing Disney to cast his ideological spell cannot be overlooked. It is to this we now turn. While merchandising was already used by the company prior to the release of *Snow White*, the film played an important role in shaping the company's future cultural synergistic strategies.

Cultural Synergy and *Snow White*

This section examines in more detail how cultural synergistic strategies were developed in relation to *Snow White*. As it has already been argued, cultural synergy generally is a means to extract as much income as possible from a single property by exploiting it across many distribution platforms. Such a strategy lowers risk by ensuring that a producer can generate additional income off a successful property without the cultural and economic risk involved in producing a new one. Disney pioneered such an approach by continuing to generate income for the company from a property long after cinemas had stopped showing it.

Snow White quickly established itself as not only the first animated feature, but also a film that generated an enormous amount of merchandising. Disney granted some 70 licenses to various companies for them to manufacture a range of products from comic and colouring books to sheet music and phonograph records. While economic synergy at the level of the industry was not pursued in the production of his properties, Disney began to form networks with outside firms in the extensive exploitation of cultural synergy to enhance his profitability.

Disney also conceived the presale merchandising strategy whereby several products featuring characters from the film were released before the film. This type of prefiguring is now common among contemporary marketing strategies for blockbuster films but was a novel approach in the late 1930s. Comic, painting, colouring and picture books were all released before the film. Such an approach allowed Disney to generate awareness and interest in the forthcoming release, while at the same time also providing much needed income for the studio - something that advertising on its own would not achieve. The campaign was noted as a 'dramatic example of a new force in merchandising' (Watts, 1997 :162).

While these strategies helped to prefigure the film and generate awareness in audiences, it was not long after the release of the film before images of the characters started to appear on

babies' rattles, nursery tea-sets, lampshades, bed-spreads and carpets, lunch-tins, sandwich trays, knife and fork sets and cake frills. There were *Snow White* slippers, toothbrushes and hairbrushes, oilskin raincoats for little girls and Dopey umbrellas. Paris Neckwear of New York produced a range of *Snow White* ties, each featuring one of the dwarfs, while women could buy expensive items of *Snow White* jewellery. Children could save up to buy a *Snow White* piano or a set of marionettes by keeping their money in a Dopey coin bank, and they could celebrate a birthday with a fancy-dress party wearing *Snow White*

masks and costumes and playing any of a number of *Snow White* games or they could cut out various scenes from the film printed on the back of Toasties cereal packets.

(Holliss and Sibley, 1987 : 74-75)

Ingersoll produced a watch in 1938 that showed Snow White performing a curtsy. The watch was marketed in a box that also contained a reproduction of an original movie cel. Such strategies are still used today, whereby DVD collector's editions included reproduced movie frames (e.g. *Schindler's List*, *The Exorcist*, *The Matrix* and so forth).

A range of dolls were also produced whose cost varied depending on their clothes. For example, Snow White in an ordinary dress would cost \$22, but if it were made of silk instead, it could cost as much as \$36. Each dwarf doll cost \$18 and the set also included a number of forest animals. Knickerbocker Toys, who also manufactured dolls, offered a traveling case that would hold the entire cast of the film's miniature characters (ibid.).

What is most remarkable about Disney's cultural synergistic strategies is not that they were such a success, but that they were a success during one of America's most difficult economic periods: the Depression. The fact that people were willing to pay for such luxury items, in a time of such economic hardship, is an even greater testament to the effectiveness of Disney's marketing. This clearly shows the impact of such strategies on consumers and their sovereignty. In a critical sense, this is an excellent example of cultural synergy at its most manipulative.

Disney also sold approximately 7,000 original animation cels from the film. Quickly being bought by art collectors and museums, as well as members of the public, the sale raised further revenue for the studio. Each cell was marketed to potential buyers as a one-off opportunity to own a piece of cinematic history. On purchasing their cel, buyers also received a declaration from Disney confirming its authenticity as well as what number out of the 7,000 being sold it was.

One of the reasons for the success of the film was its score. Songs had been an intrinsic part of Disney cartoons since 1928. Following on from *The Three Little Pigs* in 1933, the songs featured in *Snow White* were broadcast on the radio. However, their popularity provided Disney with another idea for exploiting cultural synergy: the soundtrack. Disney also made available as sheet music, and on a set of 78 rpm records, the songs that featured in the film. This was another first in the ancillary markets of Hollywood: the first soundtrack recording of a feature film. Over

the years Disney created additional records that featured songs originally planned for the film, but cut during editing. Two such songs were: 'Music in Your Soup' and 'You're Never Too Old to be Young'. These were featured on the album *The Seven Dwarfs and Their Diamond Mine*, and the dwarfs' 'yodel' song was later released on an album that introduced a new dance called 'Doin' the Dopey' (Holliss and Sibley, 1987 : 76) based around the most popular dwarf.

Disney re-released the film in 1952, 1958 and 1967 to generate additional profits with minimal additional expenditures and so further opportunities to exploit cultural synergy were provided. The re-releases amassed an additional \$50 million for the Disney studio (Wasko, 2001 : 30), while they also provided impetus for further merchandising. The film inspired hundreds of spin-off comics, magazines and books, as Holliss and Sibley (1987 : 76) illustrate:

[these ranged] from the expensive *Sketchbook of Snow White and the Seven Dwarfs*, with its tipped-in colour plates, to the popular *Snow White Golden Stamp Book*, with its perforated adhesive stickers. There were also cut-out books, puzzle books and painting books; the *Snow White Jingle Book* and the *Snow White Magic Mirror Book* with a pair of Magic Spectacles to view a series of stereoscopic pictures [3D]; there were give-away books advertising the American Dairy Association, Cheerios and Bendix Washing Machines, and a *Snow White and the Seven Dwarfs Recipe Book* issued by Armour ("Famous Flavour") Corned Beef.

These books and comics have also provided extensions to the story. For example, what happens when the film ends? Audiences know that everyone lives 'happily ever-after' because they are told so, but what do the dwarfs do next? These books provided an opportunity for children to find out. Chapter One raised the idea of the 'expanded universe' or 'redployment'. This takes the original symbolic universe encapsulated in the original property and creates a new property that while dependent on the original, is also different from it. While many people consider this to be a recent phenomenon, started by *Star Wars*, it can be clearly seen here that Disney predated George Lucas in spinning his characters off into other cultural forms.

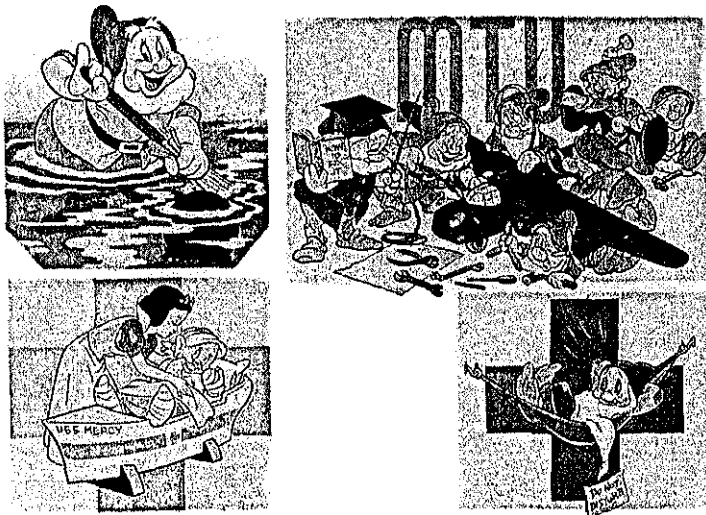
Intertextually, Disney also began to cross-pollinate his characters between properties - another example of cultural synergy at the level of the industry. As soon as the characters from *Snow White* had taken their place within the public's imagination and established themselves as being part of the Disney 'family', they started to appear having adventures with other Disney characters such as Goofy,

Thumper the rabbit (from *Bambi*) and the Wicked Witch. Snow White started to appear in the pages of *Mickey Mouse Weekly*. By bringing together his most successful characters in this way, readers would not only be familiar with Disney's repertoire but would also be aware of a character's history. These 'expanded' properties would have a ready made built in audience. This clearly shows the benefits of Miede's (1989) argument of establishing a catalogue to help overcome the uncertainty of cultural use values. As Chapter One outlined, the spreading of risk is much more effective by offering a list of films. This is because the cultural producer always has great difficulty in understanding the conditions of valorisation for its properties.

As these 'expanded' products also featured his most successful and well loved characters, they already had a certain element of built-in success (thus lowering risk once again). Furthermore, by referring in a *Seven Dwarfs* book to an event that occurred in the original film, Disney was able to not only able to maintain awareness for his own properties, but it was also a form of self-advertising. This form of intertextuality also provided nostalgia for the original film, and heightened desire in consumers to see the film again when it was re-released - and is once more an example of cultural synergy operating at the level of the industry.

In the early 1940s, Disney allowed the *Snow White* characters to be used in the development of some public service films that explained the importance of

Figure 2. 2 - Examples of Brand Extension for Snow White



purchasing Canadian war bonds. The dwarfs, along with other characters, were also used to decorate a special certificate presented by the US Treasury to purchase new bonds. As well as spinning his characters off through a range of public service films to enhance his brand extension, characters

from the film also appeared on a range of insignia that was specially designed for the armed forces. 'The dwarfs were somewhat incongruously shown building aircraft, mine-sweeping or even occasionally dropping bombs' (Holliss and Sibley 1987 : 71).

Some of these can be seen in Fig 2.2 on the previous page. They served to promote Disney's characters to an even wider audience.

In later years, a live-action play was produced in London during the late 1940s (a form of cultural synergy that Team Disney would develop further in the 1980s and 1990s) a radio show and would feature in Disney's television show *One Hour in Wonderland*. Obviously the characters are further exploited to this day by home video and DVD and throughout the theme parks. This latter example includes a ride based on a three dimensional visualisation of the film called *Snow White's Scary Adventures*. Similar attractions can be found at Tokyo Disneyland and in the Magic Kingdom at Walt Disney World in Florida. More recently in February 2004, *Snow White - An Enchanting Musical* debuted at Disneyland (Disney Annual Report, 2004). Such strategy as this fits neatly into the company's current cultural synergistic strategies, while further providing examples of cultural synergy at the level of the industry through the nostalgic intertextual recycling of classic Disney properties. This helps ensure that audiences of all ages are 'captured'.

From the various ways through which Disney exploits cultural synergistic strategies, it is easy to see why commentators such as Zipes feel strongly about Walt's motives. Arguably, the decision behind Disney's choice of narrative was not to make properties 'for the sake of exploring the story as an art form or for the sake of educating children and stimulating their imaginations, but for the sake of promoting the Disney label' (Zipes, 1997 : 92). This may appear a very pessimistic attitude, but as the opening section of this chapter argued, Walt Disney's decision to move into animated features was primarily economic. As Zipes further stresses: 'there is very little difference in emphasis . . . between a Disney plate, watch, T-shirt [etc.] . . . and the fairy tales that he adapted for film and book publication. The copyrighted label is what count[s] most' (ibid.).

Conclusion

This chapter has outlined how the process of cel animation was made increasingly more efficient by reorganising the production strategies under which it was produced. From this, the chapter clearly shows how the processes most commonly influenced by Taylorism and Fordism allowed animation production strategies to become increasingly more specialised and deskilled. The chapter also discussed how other technologies were developed, such as the 'slash and tear' method, in an attempt to rationalise production. However, these technologies increasingly demonstrated their inability to adapt to the assembly-line style of production that producers were seeking

to implement. Furthermore, it was discussed how the Bray-Hurd patents were designed specifically to further promote the increased levels of specialisation and deskilling that were more generally associated with the routinisation of labour and scientific management.

Because of its ability to integrate with an assembly-line approach, cel animation quickly became the primary form for the production of cartoons (Anderson and Tushman, 1990; Rosenkopf and Tushman, 1994). However, Disney quickly developed a range of strategies that further allowed for increased amounts of efficiency, enabling him to develop the Fordist style of production to perfection. Disney's strategies allowed him to separate the more specialised areas of labour from those that could be performed by, relatively, unskilled workers who were assigned less specialised roles. Disney built on the strategies developed by industry founders, while learning from their mistakes, to allow his studio to achieve significantly higher levels of efficiency (Lieberman and Montgomery, 1988). Such a process is an advantage to late entrants into any industry (Golder and Tellis, 1993; Mascarenhas, 1992) who can 'gain advantage through "free-riding" on technological breakthroughs, capitalizing on changes in consumer preference, and taking advantage of the inertia of pioneers' (Bryman, 1997 : 415). Disney's history, though, may have been much different had Walt entered the industry earlier.

While cel animation 'quickly came to be associated with a particular approach to the organisation of manual labour' (Bryman, 2000 : 467) levels of control had a significant impact on the overall efficiency. *Snow White* (as were all properties during his life) was produced under the control of Walt. Each film was carefully written to project Disney's vision of how the story should be told. The role of the director was to ensure that Walt's wishes were performed. In this respect, directors at Disney had less autonomy than other directors of the time working for rival studios. 'The story-line was carried by hundreds of repetitious images created by the artists in his studios. Their contributions were in many respects like that of the dwarfs in *Snow White* . . . : they were to do the spadework, while the glorified prince was to come along and carry away the prize' (Zipes, 1995 : 29).

The main ways that Disney's production of *Snow White* can be seen as utilising the rationalisation of labour that Fordism provided was considered by applying George Ritzer's McDonaldization model. While this clearly showed that Disney did indeed use a set of organisational strategies that adhered closely to the assembly-line approach, it also illustrated how Disney's obsession with control verged on creating inefficiency.

While he deskilled his labour force, he also created various problems that affected labour relations.

However, owing to the high levels of repetitive work, coupled with the general loss of control that workers had, Fordist production strategies dehumanised the work place. When Disney's high levels of hierarchical control are further taken into account, then these factors run the serious risk of introducing inefficiency into the production system. It was such elements that were largely responsible for the 1941 strike. Because of the working environment that Fordism creates, management of labour relations must be carefully maintained by locating control more generally across an organisation (Bryman, 2000 : 467-471).

It was also discussed how Fordism largely prevents the implementation of economic synergistic strategies at the level of the industry, owing to the inability to network with outside companies. The main characteristic of Fordism lies in the desire to 'control' everything 'in-house'. Such an approach substantially increases risk to the principal producer as the production of *Snow White* clearly showed. The advantages of implementing more flexible production strategies to reduce risk, that post-Fordism later established, becomes more clear when set against an examination such as this.

This chapter has clearly shown how *Snow White* allowed Disney to capitalise upon the means of generating extra revenue by exploiting the original property as much as possible. These also allowed him to take the original characters and situate them in new narratives, thus creating a range of additional merchandise that looked new and different - even though it was still reliant on the original property. The 'Mickey Mouse' brand had introduced such strategies to Disney. It was, however, *Snow White* that led to an expansion of how these cultural synergistic strategies were exploited.

While Disney did not exploit economic synergy at the level of the industry in the production of his properties, he did in his pursuit of cultural synergistic strategies. By granting licenses to outside firms to make his merchandise, Disney was able to enhance his profitability by extensively exploiting cultural synergy at the level of the industry through the formation of these economic networks. In addition, the pursuit of cultural synergy in this way was further strengthened through his intertextual recycling of his properties to provide an 'expanded' universe that he could also exploit. Such examples strengthen the way in which the two parts of the synergistic process are highly interconnected.

The means through which the Grimms' tale became 'Disneyfied' was also examined. While an in-depth discussion of the general reception of Disney properties should not concern us unduly here, this chapter has provided an analysis of how this

was achieved in relation to a specific example. It showed that Disney's interpretation did not depart in any dramatic way from the original, but was produced according to Disney's own views that he felt encapsulated the social norms and values of society at the time. The significant difference between the versions is that of tone. Disney's version reflects the popular culture that surrounded its production. This is mainly achieved through the development of the romantic aspects of the story, coupled with the political ideals prevalent within America at the time. Such examples can be seen in the way through which the work scenes are played out. These largely depict democracy as it was thought of during the 1930s. The film also established a range of basic themes and motifs that would be applied to other animated, and later, live-action properties produced by the studio. Such a collection of basic themes and styles became known as 'Classic Disney', and provided audiences with a degree of predictability. Such a device was also useful in the marketing of later films that drew on this established repertoire to both reinforce Disney 'values' and Walt as author. It is this that has enabled the Disney vision to permeate our culture in the way it has (Jackson, 1993).

The cinematic version of *Snow White* also isolated audiences in a way that reading a fairy tale, or being told it orally, did not. In addition, because the story was based on a familiar fairy tale the technical artistry and invention were highlighted to grab the audience's attention. It was the film itself that supplied the sights, sounds and motivations - rather than the audiences' imagination. Owing to its 'closed' status, when audiences saw Disney's *Snow White*, for them, it was the only version.

From this and previous chapters, it is clear that the reception of Disney properties affects the socialisation of children and their world view (e.g.s. Giroux, 1994a, 1994b, 1995a, 1995b, 1999; Pinsky, 2004; Sisenwine, 1995; Ward, 1996, 2002). The impact of large global companies, such as Disney, plays an important role in the spread of American imperialism (Davis, 2004) through aspects of 'Disneyfication' and commodification more generally via cultural synergistic strategies.

CHAPTER THREE

Star Wars

Introduction

This chapter seeks to examine in more detail how economic and cultural synergistic strategies operate under flexible, post-Fordist production strategies.

As many recent examinations of contemporary Hollywood have shown (Balio, 1985, 1998, 2002; Gomery, 2003; Hall, 2002; Lewis, 2003; Shone, 2004; Stewart, 2005; Thompson, 2005), the main properties that tend to service the industry's global market are those that are easily identifiable as 'event movies'. Such films are often referred to as 'high-concept' (Wyatt, 1994), a term that rose to prominence in the wake of *Jaws*. More recently, with the release of films such as: *The Matrix*, *Lord of the Rings* and the *Star Wars* prequels, blockbuster films are used more to create a 'franchise' than anything else (Hall, 2002). It is because of their wide use of business strategies and flexible production techniques to offset economic risk (coupled with their various marketing and distribution deals to maximise revenues), that makes 'blockbusters' the best properties for studying the ways through which synergistic strategies are developed and deployed within Hollywood today (Litwak, 1986).

Such an argument further concretises, and extend, the reasons outlined in Chapter One for the selection of *Star Wars* as a case study for post-Fordist production. The release of the original 1977 film led to a shift in Hollywood's attitude to both production strategies and ancillary markets. However, it must be pointed out that owing to space restrictions and the volume of secondary material that exists on Lucas in general, and the *Star Wars* films in particular, only the more salient areas connected with examining the process of synergy will be discussed.

The opening section of this chapter, 'Flexible Production and Economic Synergy', discusses the history and 'vision' of Lucasfilm as a company that is very much a product of the 'renaissance' that characterises contemporary Hollywood. It also examines the early relationship that existed between the growing corporate Hollywood of the late 1970s and the emergence of what would soon become the blockbuster property. This will focus on the distribution and exhibition contracts between Lucasfilm and Fox.

The first *Star Wars* film marked a period in Lucas' career that was intrinsic in establishing the foundations upon which he would later build through cultural synergistic strategies. It was the phenomenal success of *Star Wars* and its sequels, that led to dramatic changes in Hollywood production (Krämer, 2005) and whose sequels marked the beginning of the 'event' film and the reconstruction of the 'mass' audience.

The next section on the creation of nostalgia, provides an opportunity to examine how *Star Wars* has recycled many traditional myth structures to create a 'new' modern myth. Such a process is not new, with the previous chapter showing how Walt Disney also appropriated classical stories and myths to his own 'vision'. This section further considers how nostalgia is played out through various forms of intertextuality (a feature of cultural synergy at the level of the industry) throughout the franchise and how this appeals to audiences on various levels. This appeal also gives rise to the creation of 'structures of feeling' (Williams, 1977, 1979). Such structures of feeling are then taken up and capitalised upon through marketing techniques that exploit cultural synergistic strategies at the level of the industry.

'George Lucas: Creative Leadership' shows how Lucas coordinates the creative process and innovates new technologies that allow him to achieve his artistic visions. This allows us to situate him more clearly within the overall networks of production. Questions of authorship are once again raised, and by looking at how much *Star Wars* exhibits Lucas' own creative vision, abilities and contribution his role of author can be examined.

'Cultural Synergy and *Star Wars*' examines the various ways Lucas has not only used existing strategies that contain characteristics of cultural synergy, but how he has further developed them through new forms of promotion and marketing. This section argues how such strategies rely on the commodification of myth to work effectively.

The final section 'Regulation' examines how audience reception is regulated by Lucas to protect his copyrights on a global basis against various forms of piracy.

Flexible Production and Economic Synergy

Lucasfilm: A 'New' Hollywood Company

In his book, *New Hollywood Cinema* (2002), Geoff King argues that the way symbol creators maintain and exercise their auteurist ability is not solely derived from the power and control that originates from developing an exemplary repertoire and box-office success.

For King, most of the filmmakers to emerge since the rise of 'New Hollywood' have been able to establish control at the level of the industry through other factors. At the lowest level this may be achieved through the role of producer as well as director. For example, some directors have founded their own production companies. Many of these companies are established simply as a means of convenience, or to take advantage of numerous tax benefits. For others, such as Lucas, this has resulted in

the construction of large, complex film-producing enterprises; or in the case of Steven Spielberg, the creation of a completely new film studio (DreamWorks SKG).

The changing strategies in film production that post-Classical Hollywood established allowed a cluster of small-scale production companies to develop. These companies allowed a new wave of directors to exercise levels of control over the filmmaking process that was usually held exclusively by the majors. These directors, as exemplified by the likes of Francis Ford Coppola, established the idea of 'film director as superstar' and helped to illustrate the 1950s French theory of the auteur (Chown, 1988). The history behind these companies need not concern us here, but many commentaries (Biskind, 1999; Levy, 1999; Lewis, 1995; Thomson, 2005) have provided a detailed account.

These new companies did not just want final cut but the final decision over every aspect of film production (Biskind, 1999 : 52). The success of *Easy Rider* (1969) re-emphasised the importance of independent production to the cash stricken majors, and the potential in outsourcing projects to other companies. As they did in the 1950s during the early years of independent production, the majors did not need to employ people directly on a permanent basis, the financial risks involved could be shared with another company. Not only that, but this new generation of directors were of a similar age to the audiences the majors were trying to appeal to. It was thought that these people could actually produce films that audiences wanted to see and thus help reestablish the cinema as a mass form of entertainment.

What these ventures did, was help provide directors with levels of control that was unheard of during the studio era. However, many of the associations between studios and directors proved to be short-lived. The failure of American Zoetrope was largely down to Coppola's inability to control his spending (Cowie, 1989; Goodwin and Wise, 1989; Lewis, 1995). Warner Bros. withdrew from the relationship when they discovered that money they had provided for the development of cheap films had instead been spent by Coppola on expensive new state-of-the-art-equipment.

For a short while after the first collapse of Zoetrope, many of the people who worked there thought that Lucas (who was a close friend of Coppola's after meeting him on the set of *Finian's Rainbow* when he won a studentship from USC) would take over. Instead, Lucas gradually moved away from the company; partly caused by his growing dissatisfaction over the system (Pollock, 1999). Coppola was forced back into the mainstream system to pay off his debts. This led to him making *The Godfather* for Paramount. The success of this film, and its sequel, enabled Coppola to rebuild the company under the name Zoetrope Studios.

The success of Lucas' first mainstream film for Universal Studios, *American Graffiti*, earned Lucas around \$7 million (Jenkins, 1997). This helped establish the foundations for what would become Lucasfilm. As the history of Hollywood has shown, the price of success for auteurist control at the level of the industry comes through either being modest, or from a large amount of mass-market conformity (King, 2002 : 101), neither of which one can attribute to Coppola.

After the phenomenal success of *Star Wars* in 1977, Lucas achieved an enormous level of wealth; mainly made possible by Fox who gave him ownership of the rights to merchandising and sequels. Unlike Coppola, Lucas did not squander his money on unrealistic projects. Instead, he used it to develop Industrial Light and Magic (ILM) to further innovate new techniques in film production and special effects.

In the late 1970s, Lucas purchased an old cattle and dairy ranch in Nicasio, Marin County. It was here that he would construct and develop his purpose-built production company for filmmakers.

The ranch itself (Skywalker) is a collection of buildings that houses the company's 200 employees. These include the white 50,000 square foot clapboard Main House; the brick and stone Tech Building; the 25 room Inn; the Fitness Centre; the Firehouse; a childcare centre; and an archive where props, sets, costumes and other material from Lucasfilm projects are stored.

It fulfills many of Lucas' long standing aims. It provides him with the facilities unlike that of any other company, while also acting as a think tank where film projects are conceptualised. It exists in an in-between state, neither a film studio nor a film campus. Digital effects and post-production facilities are housed on-site, but production filming is provided off-site by utilising the NICL.

Clearly, ILM exists as an independent company from Lucasfilm but is still part of the Lucasfilm group. As Lucasfilm only produces films that Lucas himself personally works on, and not for other people, it is important to bear in mind that it is ILM, not Lucasfilm per se, that sits firmly at the center of the New Hollywood production economy. ILM has established itself as *the* main business enterprise that services the demands of a new generation of filmmakers and audiences in the development of special effects and new production strategies for contemporary blockbusters - a service that is central to the business of the majors.

Within the Lucasfilm group of companies exists Skywalker Sound which has had a similar impact on sound design and reproduction in theatres and home cinemas. Collectively, these companies occupy the point on which post-production within Hollywood pivots, and whose advancements in technology continue to impact upon the

industry and move it forward. They largely figure in the 'technology cooperation network.' of Castells' (2000 [1996]: 207) networks of production. These webs of interaction allow firms to share knowledge and expertise in research and development.

Although Coppola's vision for a haven in which both young and old generations of filmmakers could work with freedom and total control predates Lucasfilm by at least 10 years, Coppola ended up spending resources on processes that were unable to produce the returns required. This was because they existed outside the cultural landscape that was prevalent at the time. The reason for Coppola's failure was himself. Conversely, Lucas proceeded with far greater caution, only investing in those areas that would be of immediate and profitable benefit to the principal mode of production and circulation for blockbuster films. Coupled with the development of cultural synergistic strategies to exploit not only the core brand of the *Star Wars* saga, but also *Indiana Jones* and the associated 'expanded universe' (see Chapter Five), Lucas has become an extremely powerful figure within Hollywood production.

In addition to this, Lucasfilm has diversified further by investing in oil and natural gas wells, along with real estate and various commercial developments (Pollock, 1999 : 254). This provides the company with revenue that is not solely linked to the capricious nature of Lucas' performance at the box-office, and can be reinvested into expansion for the company.

This expansion started with the construction of Big Rock Ranch, a new office complex near Skywalker. Big Rock exists as a proper office building, rather than just a ranch that was converted into a film facility. The new addition was opened in August 2002.

The previous chapter showed that Walt Disney clearly realised before the production of *Snow White and the Seven Dwarfs* that to accommodate more lavish properties his studio needed to expand. For the same reasons Lucas has developed Lucasfilm. In an ambitious \$350 million expansion plan, LucasArts, ILM and the business divisions of the company relocated in the summer of 2005 to purpose built premises in San Francisco's Presidio national park (Scanlon, 2005). These new facilities are called the Letterman Digital Arts Center, and occupy 850,000 square-feet of a former army base. While Lucas himself admits that these new facilities lack the level of detail found in Skywalker and Big Rock (Hearn, 2005 : 249), they will allow the various divisions of Lucasfilm to be contained within a central complex rather than spread throughout Marin County - thus facilitating economic synergistic networks within Lucasfilm. An integrated software platform will allow each division within the company to take advantage of the others' tools (i.e. a scene from a film can be used directly in a

computer game). The new Digital Center will house the business side of the company, while Skywalker and Big Rock will now deal primarily with the conceptual side of filmmaking. These examples all illustrate how Lucas coordinates economic synergy at the level of the firm.

As Peter Biskind (1998) has pointed out, it is extremely ironic that Lucas is the only New Hollywood director who succeeded in establishing his financial independence from Hollywood. After attending film school and witnessing the ways through which the system of old constrained creativity for the sake of profits, Lucas vowed to become rich enough not to have to work under the stifling restrictions of Fordism. Now that he is able to do whatever he desires, he is ultimately locked into an iron cage by the very films that he originally disliked so much and blamed for the erosion of the American film industry. By supplying the special effect technologies to the rest of Hollywood, he is now responsible for supporting and perpetuating the very properties that he despised so much as a film student. In the process, he has not only managed to transcend the industry, but also his mentor Francis Ford Coppola.

New Hollywood Distribution

The history of Hollywood shows how the industry moved away from the studio based system of production to a more flexible process. This flexibility is characterised by post-Fordist strategies that organise the creation and production of properties across a range of connected companies. These companies come together in the form of production networks, providing a means to share costs. Such networks have been defined in previous chapters as the dominant form of economic synergy at the level of the industry.

It is the flexibility provided by these networks through outsourcing that has allowed many independent companies access to the previously closed structure of the industry, making Lucasfilm a true product of New Hollywood. However, to reiterate an important point raised by Askoy and Robins (1992), although these independents are important to the majors in supplying costly talent, research and development, they are in no way in competition with them. The majors still control the main source of power and control: distribution. Although Lucasfilm may be a leading independent production company, Lucas still requires the distribution power of the majors. While advancements in digitalisation may change this (see later section), the fact remains that while much has changed since the studio-era the majors still dominate. Such a process further supports the argument that contemporary Hollywood production is more neo-Fordist than post.

The loss of guaranteed exhibition, coupled with audiences moving away into the suburbs and the growth of television, resulted in the majors' revenues falling dramatically. This eventually 'forced the studios to find other sources of capital through arrangements (mergers for example) with better-capitalised, better-diversified companies' (Schatz, 1993 : 18). As a result of these developments, changes quickly rose at the level of the industry that would alter the way in which films were produced. It is this period of change that is often referred to as the 'Renaissance of Hollywood'.

To cut their costs the other majors quickly understood that it was no longer possible to produce everything in-house as Walt Disney was determined to do. By outsourcing production to other companies through the creation of production networks, the majors no longer needed so many resources and staff. Facilities were then hired out to independent producers. The independents would then 'package' a film and present it to the studio for them to finance and distribute - leaving the production company to employ the people required and deal with production issues. Undoubtedly, as discussions of the industry have seemed to show (and as Lucasfilm illustrates), this method of production enabled significant amounts of innovation that were not possible under the old system.

As Richard Maltby (2003) argues, the majors today have two main functions: distribution and finance. Today the majors have become bankers to the film industry. It is the revenues that they receive from both *distribution and their various diversified activities* that allow them to fund the current generation of blockbusters. The scale that the majors operate at is sufficient for them to 'balance-out some of the shorter term fluctuations created by the unpredictability of the film industry' (King, 2002 : 62). As a result, the financing of film production is not quite as fragmented as some people would first think.

Whether the majors are acting as financiers, distributors or producers, their relationship with any given film project within the structure of New Hollywood varies by degrees of investment (Garnham, 1990). Some, as it shall be discussed in the next chapter, are *financed, produced and distributed entirely in-house by the studios' own integrated production company* - such as with Time Warner's relationship with New Line Cinema, or Disney's with Miramax. Others are funded and distributed by the majors but produced elsewhere; while some of these are only part-funded by a major studio. Some may be produced by an independent company that is tied to a particular major through various contractual agreements. In certain cases, these companies may be provided with money for developing the project and then supplied (by the studio) with facilities on the studio's lot in return for a larger share of the profits. Other

deals may also include a 'first-look' agreement for the major on future projects the independent creates before any other studio. Lucasfilm, however, enjoys a level of autonomy not experienced by any other independent production studio.

When Lucas first approached Fox with the idea for *Star Wars* he had already enjoyed commercial success with *American Graffiti* for Universal. However, under the way films were 'packaged' for studios, Lucas was unable to convince either Universal or United Artists (UA) to fund his next project *The Star Wars*. Conceived partly as a homage to the Saturday matinee serials that he saw as a child, this nostalgic preoccupation with recycling themes and styles would come to define his career. This preoccupation makes Lucas, like Disney, a salient case study for the examination of nostalgia (see later section).

In 1975 Fox only had \$150 million in assets and annual sales of \$300 million (Solomon, 1988). While it was reasonably healthy by Hollywood standards, out of the Fortune 500 list of top corporations Fox was 492nd. It was well positioned (owing to its value and properties) for a takeover. To forestall this decision Fox had diversified some of its assets to a ski resort, a golf course and a soft-drink bottling plant in the Midwest (Maltby, 2003; Pollock, 1999). However, it needed a successful property to exploit quickly if it were to fend off any takeover bids. This was Fox's situation when Lucas approached them with the first idea for *Star Wars*.

As Wasko (2003) argues, the majors as distributors have enormous power and involvement over the production process. Either they totally control a film, or can influence the development of the script, title, casting, editing, marketing and funding. Examples of such 'interference' have been extensively documented in the production of the first *Alien* film in 1979 by Fox (Kaveney, 2005), and the way in which Miramax also controls the films it produces (Biskind, 2004).

With Disney showing how important this could be, Lucas was clear that Fox would not exercise this power over him. He wanted to retain ownership of the rights to his film. Furthermore, he was still taken with the vision of Coppola and his Zoetrope company. In effect, what Lucas was asking of Fox was money to finance his project, but that they could have no say in what he did with it or how the eventual film appeared.

Lucas' contract saw Fox pay him \$150,000 to write and direct. Lucas' company would receive 40 percent of the film's net profit. The budget was set for \$3.5 million, and while Lucas knew that the film could never be made for such a small amount he kept this to himself fearing that Fox would back out of the deal if they knew the real likely figure (Baxter, 1999; Pollock, 1999).

One area that took a little longer to negotiate was that of merchandising and sequel rights. While Disney had shown the huge profits that could be made through devising cultural synergistic strategies, these did not appear to be working for Disney during the 1970's in the wake of Walt's death. If anything, the company was experiencing the same downturn in profits as other studios within the industry. However, this had less to do with cultural synergy per se, and more to do with the fact that the studio was unable to produce the properties that people wanted to see. This misconception would be Fox's undoing, who after seeing Disney's falling profits concluded that there was simply no market in merchandising anymore (Pollock, 1999).

While the success of *Graffiti* would have allowed Lucas to negotiate a higher fee from Fox, Lucas' business strategy was designed for the long-term. His gamble was in hoping that *Star Wars* would prove more successful than people thought.

Lucas wanted *Star Wars* to be produced by his own company, not Fox. He wanted to own the publishing rights to the novelisation of the film and any and all books inspired by the franchise. He also wanted the music rights and the income for the soundtrack album. Most importantly though, he wanted the rights to the sequels.

It is not difficult to see why Fox agreed to the terms. Not only did Lucas not want extra money, but he would be willing to settle for what many in the industry considered to be of little economic value. Merchandising was a has-been, it took far too long to develop toys for the market. By the time they were ready the film had long since disappeared from theatres. Film soundtracks were also not as popular as they used to be during the years of *Snow White and the Seven Dwarfs*. As for sequel rights, this meant nothing if the original film was not a success. On paper at least, *Star Wars* did not appear to be a blockbuster. In fact, Fox were afraid they would not even recoup their costs (Baxter, 1999; Shone, 2004).

While Fox's decision to acquiesce to Lucas' terms may have saved them almost \$600,000 in the short-term (Pollock, 1999 : 137) it has cost them billions of dollars over the past thirty years. However, had *Star Wars* not been the success it was, Lucas would have been the loser. Lucas' current position as the dominant force in Hollywood production can be traced back to this decision. His success is the result of a huge gamble that paid off.

The success of *Star Wars* when it was first released (not including the merchandising) provided Lucas with \$20 million in additional net worth, while it increased Fox's stock from a low \$6 per share in June 1976, to nearly \$27 after the film was released. Revenues at the studio increased from \$195 million in 1976 to \$301 million in 1977 (Solomon, 1989; Thompson, 2005).

Lucasfilm had now been transformed into a \$30 million corporation. While a small amount of the profits from the film were retained for living expenses, the majority was invested into municipal tax-free bonds as collateral against the sequel *The Empire Strikes Back* (1980). It would also be used to develop Lucas' long-term ambition of constructing Skywalker Ranch. Interestingly, Lucas managed to construct this over time through the profits received from the *Star Wars* films and without having to go into partnership with anybody else - as Walt Disney did with ABC to build the first Disney theme park.

Lucas decided that *Empire* would be completely funded by him. Bearing all the costs, like Disney, was the only way he could produce the film and still retain complete ownership over the property. However, as Walt proved with *Snow White and the Seven Dwarfs*, such a strategy meant that Lucas was going to be economically vulnerable if the film went over budget and failed to perform at the box-office. The cost of the film, initially set at \$18.5 million, would finally reach a total of \$33 million. During the time this was seen as being 'Lucas' Folly' (Baxter, 1999 : 261), and was the largest expenditure ever made by an independent filmmaker. In spite of this Lucas still needed to borrow money from the Bank of America (like Disney) to cover his production costs.

By the time production started the company was already spending \$1 million a week (Harmetz, 1983; Jacobs, 1980). The first production loan was from the Bank of America for \$18.5 million. A few weeks into production this had risen to \$22 million. When Lucas asked the bank for a further \$6 million loan he was refused. Lucasfilm president, Charles Weber, persuaded another bank (First National of Boston) to take over the Bank of America's commitments and guarantee a new loan of \$25 million (plus interest at 20 percent) (Pollock, 1999). However, the budget grew further and Lucas required another \$3 million. Even though Lucas personally promised to pay back all the money (even if the film was not a success), the bank still refused. Lucas was forced to ask Fox to guarantee the loan. In payment for this, Fox asked for 15 percent of the profits from the film. Lucas ended up keeping all the profits but agreed to a better distribution arrangement with Fox.

Lucas had to be quick to produce a sequel because the terms of his contract with Fox stipulated that if he did not produce one within two years, all his rights would revert back to Fox, in addition with all the rights to future films within the *Star Wars* saga (Arnold, 1980).

The way in which distribution and production was working in this 'new' Hollywood, it is likely that Fox never considered that Lucas would fund the sequel

himself. If the deal for the original film was considered extraordinary, then the contract for *Empire* would be even more so. Lucasfilm began with taking 50 percent of the gross profits, a share that eventually rose to 77 percent. Fox had to pay for all distribution costs (prints and advertising) and only had the right to release the film to theatres for a period of seven years. After this time the rights would revert back to Lucas.

It is common for the distributor, even under post-Classical traditions, to determine 'when a film would be released (or patterns) for various markets, including theatrical, home video, pay TV, television and ancillary markets' (Wasko, 2003 : 84). It is usually the major that determines the video and DVD rights for the films that they distribute. This would not be the case with *Empire* - or any of the remaining films in the series. Lucas needed to generate as much revenue as possible for Skywalker ranch, while retaining ownership of the rights to his films. Networking directly with other companies as Disney had with ABC would mean that other people would want a stake in either the *Star Wars* franchise or the ranch. Instead, Lucas (aided by his advisors) had to generate money by negotiating hard with Fox.

To achieve this, Lucas wanted to own all television and merchandising rights. Fox had to pay an initial advancement of \$10 million to Lucas for development. This they could recover from the guarantees received from theater owners to show the film. As exhibitors has already pledged \$15 million in guarantees, Fox could not lose (Baxter, 1999 : 262). Fox could also hardly turn Lucas down as any major would quickly agree to the terms Lucas was asking for a slice of the profitable *Star Wars* franchise. According to Pollock (1999), Lucas would later renegotiate the merchandising agreement to give Lucasfilm 15 percent of the administration fee and, ultimately, 90 percent of the profits.

In order for Fox to maximise its revenues (and in turn Lucasfilm's), it had to ensure that the films earned as much as possible. In this respect, exhibitors were squeezed hard by making them agree to certain conditions in order to show the film. Such a strategy generated \$26 million for Fox, two weeks before *Empire* opened. Lucasfilm additionally earned \$15 million in license prepayments, of which Fox received 10 percent.

Block-booking was now not allowed, meaning that the majors could not demand that an exhibitor show one of their properties (even the least desirable ones), but this did not stop them from forcing theatres to make certain promises. For example, in order to show the first installment of the prequels in 1999, exhibitors were made by Fox to guarantee runs of at least two to three months on the best screens

(Kaplan, 1999 : 64-8). Being the most anticipated film of the decade, exhibitors would agree to almost anything in order not to lose out. Once again, such a process strengthens the arguments for neo-Fordism.

Wasko (2003 : 86) argues how a major will occasionally agree to distribute a film without providing any money to produce it. Such agreements are referred to as 'negative pickups' and are normally made before the film is completed. Here, the major provides funds for the distribution of the film, as an advance, to the producer. The major and the producer then share in the profits of the film. For the major, the advantage lies in the producer having to burden production costs, while the major's risks are limited to distribution only.

In the case of Fox and Lucasfilm, Fox's involvement is limited to the distribution fee ('the film-rental amount retained by the distributor in accordance with the contractual provisions of its agreement with outside participants' (Daniels *et al*, 1998 : 103)) which is not very high. Wasko argues how 'the distribution fee is usually a nonnegotiable percentage of revenue from a specific source and varies according to geographic area and market' (2003 : 92). For distribution in the US and Canada, as well as foreign markets, Wasko points out how the figure can be between 30 and 40 percent. For distributing the prequels, Fox is believed to have received only 8 percent (Parker-Bowles, 2002 : 33). Television distribution, video and DVD releases are understood to be the sole rights of Lucasfilm, although exact figures remain closely guarded by the company.

On release, *Empire* earned more than \$300 million in ticket sales across the world, generating \$165 million in film rentals for Fox, and \$51 million in operating profits for Lucasfilm. Lucas had recovered his investment within three months. While Fox complained bitterly over their percentage for distribution, they still earned \$40 million in distribution fees (Pollock, 1999 : 221).

In-between the release of *Empire* and the last installment of the original trilogy, *Return of the Jedi* (1983), Lucas benefited from the release of the first film in the *Indiana Jones* trilogy *Raiders of the Lost Ark* (1981). From a budget of \$22.8 million, the film sold almost \$335 million in tickets globally, while generating an additional \$21 million for Lucasfilm. The film was distributed by Paramount Studios, which was then headed by Michael Eisner (Stewart, 2005 : 31), and earned the major \$49 million in rentals - easily recovering its \$22 million investment (Pollock, 1999 : 229).

The last film in the original trilogy, *Return of the Jedi's* \$35 million production cost was now completely funded by Lucas. While Fox would distribute the film under the terms laid out in the original *Star Wars* contract, Lucas would own 100 percent of

the film as soon as Fox had recovered their investment for distribution. *Jedi* would also be the first film to use Lucas' new THX sound development (Allen, 1998 : 118). Regrettably, owing to the significant cost of fitting a theatre with the new sound system (which could cost between \$15,000-\$60,000) only two cinemas in the world had them installed at that time. By 1998 when the first of the prequels, *The Phantom Menace*, was released Lucas restricted first playing in the US to only those theatres equipped with THX facilities. As a result, 'the most awaited film of the decade would only show on two thousand screens in the United States' (Baxter, 1999 : 319).

It is factors such as this, that make a direct comparison between the *Star Wars* prequels and other contemporary box-office successes such as *Spiderman*, *The Matrix* and *Lord of The Rings* difficult. For example, for many trade commentators to argue that the reason *Attack of the Clones* did not take as much as *Spiderman I* or *II* in its opening weekend, because it was not as good, is misleading. A significant reason that might contribute to such figures lies in the fact that *Clones* did not open on as many screens because Lucas is more discerning over the presentation of his films. In addition, Lucasfilm is a private company with an extraordinary distribution contract, it does not have to answer to a major studio or the whims of Wall Street. Lucas is an anomaly who often defies the typical structure of business strategies within Hollywood.

The distribution figures for the prequels are harder to determine, mainly due to Lucasfilm's reluctance to widely publicise them. One thing that can be assured, however, is that they are produced and funded entirely by Lucas (with no need for bank loans), although the cost of doing so is now likely to be around \$100 million, inkeeping with the budgets of other recent high-concept blockbusters. Fox still distributes, but it is likely that they received a flat fee for distribution. However, the promotion and marketing of the films lies solely with Lucasfilm (and has done since the production of *Empire*). Merchandising, television rights and other means of distribution are controlled by Lucas, although Fox receives a small fee for the distribution and production of videos and DVDs.

Post-Fordist Production and 'Star Wars'

The history of Hollywood illustrates how the move to a flexible, post-Fordist, approach to production within the industry emerged. However, even though it was argued that the majors have undergone dramatic developments since the Classical production period, they still manage to retain two distinct features that allow them to effectively control access to the market (Garnham, 1990). These lie in their power to distribute and finance large scale, high-concept, blockbuster properties

(Maltby, 2003 : 219). Through this, and the events that took place after the Paramount decree of the late 1940s, the majors have been able to develop a diffuse model of production organisation that is in complete contrast to the studio-based system of the classical period (ibid.). This model of Hollywood resulted not only in a new business structure, but gave way to a whole new era in the aesthetics of popular cinema (Krämer, 1998). During the 1980s and 1990s, there has been a noticeable furthering of the strategies first developed during the renaissance of Hollywood in the 1970s.

These have been achieved through the extension of flexible production strategies to take advantage of cheap labour abroad through the characteristics of the 'New International Division of Cultural Labour' (NICL) (Miller *et al*, 2005). Arguably, this has helped Hollywood to become an even greater global phenomenon. This globalising of world markets by Hollywood has only been strengthened through the cultural synergistic strategies of television syndication, merchandising and the role of New Information Technologies (ICTs) such as the Internet.

While the use of NICL through the development of economic synergistic strategies makes good economic sense for Hollywood, it means that workers in cheaper labour markets are exploited. After all, 'it is cheaper to make a Hollywood movie even in a rich country like Britain, which offers relatively low wages as well as advanced technical skills and facilities for, most notably, special effects. In this respect, "made in Britain" means films like *Star Wars* and *Saving Private Ryan*. Labour and faciliti[es] in many other countries [e.g. Spain and Mexico] are cheaper still' (McGuigan, 2004 : 129). As McGuigan continues to argue, governments are so eager to attract Hollywood production to their countries because of the economic benefits film production brings, that incentives such as generous tax breaks are offered - as if the exploitation of cheap labour and facilities were not enough.

Hollywood's desire to save costs has seen an increasing take-up by Hollywood studios and production companies in general of the NICL. This has led to a trend of 'runaway' production from the more established base of the American film industry in Los Angeles, to a form of de-localisation that allows re-territorialisation in the lens of the foreigner (Gasher, 1995). Such runaway production is a further concern for Hollywood workers, who now see themselves competing for work on a temporary basis (Connell, 2000; Grumiau, 1998, 2000; Kim, 2000; Lent, 1998).

Recent developments within the production networks that characterise post-Fordist flexible strategies have contributed to the process becoming more diffused and fragmented into different sectors. Today, the services for these sectors

are provided by specialist subcontractors (Scott, 1998a) who often supplement their full-time employees with part-timers and freelancers on an *ad hoc* basis. These subcontractors, who work closely with independent companies, form the creative nexus of Hollywood production. They usually work around the principle of informal networks that rarely engage with long-term contracts. The exception to this is obviously the *Star Wars* prequels and the *Lord of The Rings* trilogy which were produced over a number of years.

Lucasfilm illustrates how this operates in reality. The company employs around 200 employees. However 1,650 people worked on the last prequel *Revenge of the Sith* (referred to from here as *Sith*) (Leibovitz, 2005). This temporary increase in staff was obtained by Lucasfilm through the development of economic synergistic networks. These were either between other, subcontracted, companies or further specialised talent that was obtained by exploiting the characteristics of the NICL via on-site labour. The contracts are only temporary, and only last for either the duration of the film or the specific part of the film that they have been contracted to work on (such as set construction). Once a given stage of production has been completed, or the entire project, then Lucasfilm's employees will revert back to around 200.

Such flexibility allows Lucasfilm to employ specialised talent on an *ad hoc* basis when required. While this is beneficial to the company by keeping their production costs low through the ability to only employ people when they are required, it also means that they can recruit the best talent for the job. Consequently, this has the effect of increasing the number of freelance employees that are constantly having to compete for jobs on a project-to-project basis. As this becomes increasingly competitive the more companies exploit the NICL to reduce costs, so the chances of finding regular (if any) employment becomes more problematic (Bureau of Labour Statistics, 2000a, 2000b; International Labour Office, 1999, 2000a).

The NICL is seen by some (Murphy, 1997; Shatilla, 1996 (quoted in Miller *et al* 2005)) as a sign of successful post-Fordist accumulation, whereby 'unions work with business and governments to operate competitively in a tripartite heaven' (Miller *et al*, 2005 : 138). For critics of the process, 'industries built on policy responses to external cultural domination are simply enabling that domination, as place is governmentalised and commodified as an industrial setting of sites and services' (ibid.). It is because of such things that disused aircraft hangers are routinely being converted into soundstages for film production (Askoy and Robins, 1992; Porter, 1998; Raco, 1999; Scott, 1998b; Vogel, 1998).

A further example of how Lucasfilm exploits the NICL through post-Fordist strategies can be seen in the production of *Sith*. Principal photography took place at Fox's Studio in Sydney. The 60 acre site which was originally used for grazing cattle, and then as a fairground, was opened by News Corporation (Fox's parent company) in May 1998. The studio housed all of *Sith*'s 71 sets and a further dozen buildings housed supporting construction, props, costume, art and creature workshops (Rinzler, 2005). The conversion of such a facility illustrates the argument previously made of establishing soundstages for the entertainment industry from other facilities.

Australia (via the NICL) holds many further benefits for cost saving, which a company such as Lucasfilm would be keen to take advantage of. The Pacific Film and Television Commission was formed to promote the country to international, as well as local, filmmakers. It offers a revolving fund for low-interest loans secured against guarantees and presales, rebates on tax and subsidised crewing costs (Miller, 1998). While Lucasfilm does not require bank loans for the production of the *Star Wars* prequels, other incentives are most attractive and can amount to significant savings over production costs in the USA. Table 3.1 below illustrates some of these savings:

Table 3.1 - Selected Savings on Production Costs in 1999 (Source: Idato, 1999)

Type of Cost	Los Angeles (\$ Australian)	Australia (\$ Australian)
Soundstage	8,000 daily	2,000 daily
Make-up van	5,000 weekly	1,500 weekly
Trailer	4,000 weekly	1,000 weekly
Supporting actor	880 daily	300 daily
City Shoot	15,000 daily	10,000 daily

To enhance efficiency, the filming of *Sith* used the new HDC-F900 high-definition digital camera that was produced between Lucasfilm, Sony and Panavision. While *Clones* used this in part, *Sith* was filmed entirely using the new technology. This enabled Lucas to record 24 progressive frames a second. Such a development that would allow progressive recording (i.e. distinct and separate images) was considered a major breakthrough. Further benefits of the system allow for immediate feedback. This means that engineering stations are established on set

(known as the 'video village'), so that the dailies can be synchronised with sound while the shooting is taking place. This means that editing can take place immediately. Such a system saved Lucasfilm millions of dollars in costs.

Lucas created further efficiency by innovating 'pre-viz', a form of electronic storyboarding (Freer, 2005a; Rose, 2005). Shots could be pre-visualised in hours rather than days. Changes could be made on-the-spot, almost as if Lucas was directing on a set. Once Lucas had approved a 'pre-viz' shot it was digitally sent to ILM in Northern California where graphics specialists would start designing the effects for that particular scene. Such techniques were used by Spielberg for the 2005 release of *War of the Worlds*.

Now that Lucasfilm has proven the economic and aesthetic advantages to using such processes it can offer the facilities to other filmmakers for a fee. As the impact of ICT's on filmmaking continue to grow, it is likely that this form of production will establish a model for future projects. When digital projectors are finally installed in cinemas, theatrical 'prints' can be produced for distribution at a fraction of the cost, thus reducing fees and the need for a distributor. This would make Lucasfilm a true independent company, but would have a significant impact on the majors (more than even the Paramount decree did).

Economic Synergy and Flexible Production

Star Wars illustrated to the majors the benefits in outsourcing projects to other companies in order to spread economic risk, in turn changing the model of Hollywood production and furthering the process of economic synergy at the level of the industry.

Unlike the production of the prequels, the 1977 film presented Lucas with the added problems of establishing not only key personnel for Lucasfilm and ILM, but also innovating many of the technologies required to achieve his creative vision for the first film (Smith, 1986). In this sense Lucas mirrors Disney, who also had to develop new ways of obtaining the realism of a live action film in an animated one.

Through the success of using economic synergistic strategies to produce the original film, many other studios quickly realised the benefits of such approaches - leading to the growth of independent production companies. As the previous chapter suggested, these newer companies were able to capitalise on the various technical and organisational innovations that Lucasfilm (and ILM) had introduced. It was this that enabled ILM to dominate the field of post-production by offering its services to other filmmakers (Prince, 2000).

The complexity of the temporary networks that post-Classical Hollywood's contractual arrangements present is easily seen in the end credits for any blockbuster film. In the case of the extended editions of *LoTR*, these credits can run for as long as thirty or forty minutes. As Richard Maltby (2003 : 220) argues, a typical blockbuster's credits will include:

"presented" by its distributor and financiers, and "produced" by one or more other companies, often "in association with" several others. All of these companies are independent of the studio-as-major distributor, in the sense that they are also contractually free to collaborate with other companies and in other combinations.

The lives of cultural workers are also affected through the use of flexible approaches. Under a rationalised system workers were left to feel institutionalised and constrained to routinised working conditions. Flexible specialisation had the ability to offset risk across a range of interconnected companies, while allowing cultural workers a level of autonomy that they had not experienced under Fordist conditions. However, the flip-side to obtaining this freedom meant that companies increasingly created competition for cheaper services. While this allowed companies such as Lucasfilm to move production to those countries where significant savings could be made, it also resulted in making employment more fragmented. Cultural workers are now increasingly employed on a freelance, *ad hoc*, basis. This means that many people now find themselves unemployed for longer periods of time, which further impacts on local economies (Buckland, 2003 : 90).

What is interesting is the way that Fox has been marginalised in the production and marketing of the films. Unlike *Lord of the Rings* which used all the benefits that a vertically and horizontally integrated company such as AOL Time Warner can provide (see next chapter), *Star Wars* does not rely on any of Fox's synergistic benefits from being a part of the News International conglomerate. Lucasfilm develops its own initiatives to promote and 'exploit' the franchise through various cultural synergistic strategies. Even the official website *starwars.com*, is operated by Lucasfilm. The exception to this was the first time the trailer for *Sith* was aired on March 10, 2005. This took place on the Fox cable television network.

Star Wars and the Creation of Nostalgia

'Star Wars' as Modern Myth

In writing his epic space opera, Lucas did not take any previously told tales (like Disney), but rather, as this section will discuss, various themes and motifs established by the ancient myth of the hero combined with contemporary political issues. Various commentaries on Lucas (Baxter, 1999; Champlin, 1992; Jenkins, 1997; Pollock, 1999; Slavicsek, 1995; Stansweet, 1999), argue how the the series was based on the 1930s and 1940s Flash Gordon serials that Lucas had enjoyed as a child. Such recycling of old narratives also underpins his story for *Indiana Jones*, which had similarities to the *Adventure Theater* programmes he used to watch. However, Lucas was additionally influenced by medieval romance, Wagnerian Gothic, Samurai epics (*The Hidden Fortress*, 1958, directed by Kurosawa), *Sherwood Forest*, *The Wizard of Oz* and *Tarzan's jungle* (Taylor, 1988 : 99).

The saga further borrows from the work of Joseph Campbell, whose 1949 book: *The Hero with a Thousand Faces*, summarised many of the heroic myth stories of the hero from around the world and detailed their common elements. Table 3.2 summarises how Campbell's work is played out within the *Star Wars* saga:

Table 3.2 - Applicability of the Structures of the Mythological Hero to 'Star Wars'

Myth Structures	How They Are Used
The Call to Adventure	Luke's discovery of Obi-Wan Kenobi, the death of his adopted parents by the Empire, and Obi-Wan's call for Luke to help in the rescue of the captured princess while learning the nature of 'The Force' to become a Jedi
Refusal of the Call	Luke's initial decision not to help, because his adoptive parents need him on their farm
Supernatural Aid	A Jedi's use of 'The Force'
The Belly of the Whale	Luke's fight with Darth Vader in the second and third installments of the original trilogy, and his eventual victory
The Road of Trials	Luke's Jedi training by Yoda, and the Rebel Alliances' numerous attempts to vanquish the Emperor

The Meeting with the Goddess	Meeting Princess Leia for the first time
Woman as Temptress	Luke's initial attraction to Leia, then Han Solo's growing infatuation with her when Luke discovers she's his sister
Atonement of the Father	Darth Vader's understanding of his evil deeds in the final film, and his killing of the Emperor to save his son
The Magic of Flight	The use of space craft and 'hyperspeed'
Freedom to Live	The defeat of the Imperialist Order in the final film
Folk Stories of Virgin Motherhood	Anakin's mother insists that she mysteriously found herself pregnant one day. This suggests that the Force itself is Anakin's (later to be Vader) father. This makes Vader a demigod

It is easy to see from this summary how the saga encapsulates and recycles the traditional patterns of the mythological hero's quest. Luke begins an epic journey to become a Jedi, like his father, under the guidance of another father-figure (Obi-Wan), and then later Yoda. While in training, he learns how to cope with evil (the dark side) and finds his place in the universe. After defeating evil (the Empire), and passing various tests that he needs to become a Jedi, he becomes a positive force within society (Lancashire, 2002 : 238). The prequels deal with the same mythological journey from boyhood to adulthood, but this time of a new hero, Anakin Skywalker (Luke's father), who instead of achieving freedom gives in to evil.

Lewis Feuer (1975) has also shown how the Mosaic myth (the story of the liberation of the Hebrew tribes by Moses) can be portrayed in its most elemental form as a series of situations and incidents. Interestingly, they follow the same structure as those outlined in table 6.3 above. Feuer argues how such accounts portray History as a dualistic struggle between 'forces of light' or 'progress' and 'forces of darkness' or 'reaction'. Such arguments parallel the two sides of Lucas' 'Force' - light and dark, good and evil. The leaders of 'light' are seen as the great heroes of History. Their deeds set them apart from the 'masses', and this is seen in the role played by the Jedi as peace-keepers within the old world. The leaders of 'darkness' (the Emperor, Darth Vader and the Sith in general) are those who oppose History's agents and political

(Jedi) and ideological (free-trade, peace etc.) agendas. Recent Disney properties, such as the *Lion King* also contain the same Mosaic myth structures (Colebatch, 2003).

Other commentators have argued (Kuiper, 1988; Lancashire, 2002; Ryan and Kellner, 1990; Taylor, 1988) how the *Star Wars* saga is also, in addition to recycling old myth structures, greatly affected by the political ramifications of the society in which it was produced. The narrative can also be analysed as a commentary on both American and international politics and economics, past and present while further mirroring the rise and fall of political empires through the portrayal of the Imperialist regime. Greed, aggressiveness, hatred and fear comprise the central themes that are used to achieve this. The political overtones of the prequels are probably even more noticeable, ranging from political democracy, the distrust of politicians and the preservation of the flow for free-trade. A much fuller account is given by Lancashire (2002).

The rhetoric of the films revolves around promoting 'individualism against the state, nature against technology, authenticity against artifice, faith and feeling against science and rationality, agrarian values against urban modernity etc.' (Ryan and Kellner, 1990 : 230). One can take this even further, by arguing how the Empire itself represents a tyrannical force that seeks to remove a free-trade based market economy while destroying the natural order of the patriarchal family (seen through the separation at birth of Luke and Leia in *Sith*, and the death of Luke's adoptive parents in *A New Hope*). Technology and artificiality in general, play significant roles in shaping the *Star Wars* universe, while the use of alien creatures and 'masks' adds to the sense of facelessness that a more psychoanalytic examination would provide.

As Ryan and Kellner further argue (*ibid.*),

The film[s] thus display the ingredients of the dominant American conservative ideology that makes US culture so resistant to urban-based, rational socialist ideals. In that ideology, such socialism will appear as a faceless [i.e. Vader], a state bureaucracy of tyrannic control against which must be mobilised a combination of agrarian, spiritualist and patriarchal values. The threat can only ultimately be defeated by that ideal that is most at stake in this ideological conflict - freedom.

This symbol of freedom is played out within the films as the male individual. All the leading characters are male, with the exception of Princess Leia in the original trilogy and Padme Amidala in the prequels. The role of women is more constrained,

and while Leia is a member of the ruling elite and has the greater political power, she has less personal strength. Women are used more as supporting characters than anything else.

Many have argued how the male characters portray strong American archetypes of the rebel 'hero' that Campbell identified (Collins, 1977; Grenier, 1980). These are seen in Luke Skywalker (a frontier farm boy who is seeking adventure, and who is a figure of innocence that connotes freedom and the various ideological themes of the series; such as faith, rationality, modernity etc.) and Han Solo. Solo can be seen as a space-age western-genre, loner/ adventurer - which is further exemplified through his surname. A small time capitalist entrepreneur, his western image is made all the more compelling through his 'handy blaster' and his ship [horse] which outruns Imperial crafts [sheriff and his posse] (Galipeau, 2001).

Twentieth-century themes are further invoked through the use of the Imperial 'stormtroopers' (i.e. Nazism) and the fights that take place between Alliance fighter pilots and Imperial 'TIE' fighters. Lucas modeled such scenes on earlier depictions of cinematic fight scenes from the Second World War between fascist and Allied forces (Gordon, 1978; Kramer, 2000; Zito, 1977) which he used until ILM had completed the effect shots (Pollock, 1999).

In this sense, the Empire represents dictatorships that were widespread in the twentieth century. To complement this, if the fundamental opposition to the Empire is the Rebel Alliance, this can only be the US, a society that is ruled by democratic process rather than force. It is because of the Rebels' ability to represent the will of the people as freedom fighters, fighting for a better humanity, that they are seen as heroes. Ronald Reagan even used the title of the saga to identify his missile defense programme (Krämer, 1999; Meyer, 1992). In light of September 11, the need for a hero becomes more important as the US lost its sense of freedom. The characters now serve as a type of inspiration for the issues that modern day America faces (Hanson and Kay, 2001).

Lucas has taken many of these themes and incorporated them into the saga's narrative. While a complete political and textual analysis of the films is not possible here, this section has shown how the films 'borrow' heavily from established myth structures to create a new, modern myth. The *Star Wars* films have streamlined these established themes and combined them with modern issues to make them more relevant to contemporary society (Vogler, 1996).

The use of religion and history is nonspecific. In this sense, The Force can be used to stand for any religion. The core themes of tyranny, racism and trade disputes

(as exemplified in the *Phantom Menace*), can be more generally applied to all histories. What Lucas does by creating a modern myth is awaken issues that have been in existence for thousands of years. In today's current political climate such issues are increasingly helping people to understand their place in the world. In many respects, Lucas has 'localised' myth.

Like Disney before him, Lucas is constructing an ideology through the use of myths. For *Star Wars*, the ideology is largely that of rebellion against power and domination. In a world that is currently marked with terrorism and uncertainty, the films join people together in a [fictional] fight against oppression [governments] for freedom. This is achieved through the 'power of the heroic male . . . as a cultural representation that resonates with the way men are socialized or constructed as subjects in a capitalist society, and the ease with which the state . . . can be turned into a figure of evil' (Ryan and Kellner, 1990 : 234).

'Star Wars' and Intertextuality

Roland Barthes (1977) advocates a theory that no text has meaning in isolation. Instead, meaning is constructed in relation to other texts. Julia Kristeva (1980) is perhaps the most well known theorist in recent times on intertextuality. She is concerned with establishing the way in which texts are constructed out of already existent discourse. This is related to Barthes 'death of the Author' (1977), which is a significant feature of intertextuality theory. In many ways mirroring the argument of Foucault (1977), Barthes details how the author figure is not only modern, but also capitalist. In this sense, texts have become increasingly commodified by attaching their meaning to a name. This is easily seen in the manner that Lucas has commodified myth structures by exploiting the narrative of the *Star Wars* saga through various cultural synergistic strategies.

While there is no space here to examine the work of Barthes in detail, the central idea to emerge from these works is that texts are comprised of other texts. Kristeva argues how these other texts can be referred to as the cultural (or social) text. This includes all the different discourses, ways of speaking and talking in addition with all the structures and systems that we refer to as 'culture'. Arguably then, in this light, the text is indeed not individual but rather a constellation of cultural textuality. If this is true, then it becomes difficult to separate the cultural text from that of the individual (that of the author). Such an argument is pre-empted by Bakhtin (1984) and Volosinov (1973) that all texts contain within them the 'ideological structures and struggles expressed in society through discourse' (Allen, 2000).

On the surface, intertextuality through the *Star Wars* films can obviously be seen in the way through which the original trilogy refers to, and extends, the textual narrative of the recent prequels. Similarly, each film follows the one before it, and therefore refers to, and extends, the narrative. In this respect, intertextuality is also a risk reducing strategy as audiences begin to expect common characteristics from the films. The prequels used the intertextuality of nostalgia that was created by the original trilogy to captivate audiences in the regeneration of the franchise. Here, the launch of the 'Special Editions' of the first trilogy was timely, as it served as a prerelease strategy to remind audiences what it was like to watch a *Star Wars* film in the cinema. It also brought the saga to the attention of a new, younger, generation of children who were not yet born to watch the films the first time. The Special Editions prepared them for the prequels, which would be their generation's version of the original trilogy.

However, the distinct lack of any *Star Wars* images in the first prequel, *The Phantom Menace*, that would connote a nostalgic feeling for the original in older spectators (i.e. Darth Vader, Stormtroopers, Chewbacca and so forth) may also account for the poor reception it received - in addition to the over promotion of cultural synergistic strategies, the excessive use of special effects, poor narrative and the annoying character of Jar Jar Binks. *Sith* overcomes this as it incorporates more of the iconic imagery of the original trilogy into its narrative (Shone, 2005).

However, Kristeva's point about borrowing from other stories and cultures can also be seen in the way Lucas has recycled myth and encapsulated political themes. Here, the use of intertextuality is perhaps not that apparent to the casual observer. Still, it is apparent that while Lucas did not simply adapt classical stories in their entirety, as Walt did with fairy tales, he did borrow liberally from mythological structures to create archetypes (a symbol that helps to unify and integrate our literary experience) that he could use to reflect and comment on real-world political events and movements. Such examples include the American Revolution, Nazism, fascism in general and the Second World War. Lancashire (2002) points out how the rebels in the films can be used to represent both the US (particularly in relation to twentieth-century political history) and also their allies. She argues how the original trilogy portrayed specific archetypes such as democracy versus dictatorship (both past and present) and the rebellion for freedom against such oppression. The latter example being particularly prevalent in light of current political events.

If the original trilogy dealt with political events that surround the era of its production, then the prequels are dealing with issues to do with present day political

and economic issues. Anakin Skywalker clearly serves as the archetypal American moody teenager, coupled with the language of American and international politics and economics - Senate, Republic, Trade Federation, Corporate Alliance, bankers, profits, free trade and so forth. Lancashire (2002 : 248) further illustrates the mirroring of contemporary issues by arguing that the prequels are:

providing us in part with a reflection of the dark-side profit / appetite emphasis of contemporary First World democracies: the focus on an America whose leaders emphasize corporate profit-making as an ultimate good and rely for security and power on innovative and massive military technology. In other ways too the America of both past and present would seem especially to be mirrored in the archetypal galactic Republic: which was founded, we now learn (in the initial Naboo sequences), in war, and is here moving - with its "grand army of the Republic" - into civil war . . . and is represented by a capital, Coruscant, reflecting in its skyscrapers, diners, clubs, sports bars and alleyways above all a modern American urbanscape . . . projected . . . into an economically and political hellish future.

It would appear that the prequels are being used by Lucas to foreground more clearly the archetypal politics into which fit the 'mythological moral quests of the individual characters of both trilogies' (ibid. : 250). Collectively then, what lies at the root of the saga is an ideological message that seems not just to involve individual morality, but issues that are collectively bound up within matters of national and international political moralities as well. While political issues within the original trilogy served as a context for the narrative, they were not foregrounded in quite the manner as the new trilogy uses them. It is only now that Lucas' six-part saga can be viewed as a whole that the epic-political critique can be seen.

Intertextuality as a postmodern term is characterised by a historical blurring that juxtaposes representations from the past and the present together (Barker, 2000). Such use of bricolage within the saga is borne out through the use of political markers of the time the original trilogy was produced, against those that surround us during the production of the new trilogy. However, Lucas also concretises his political / economic / moral critique of contemporary society with allusions to earlier cinematic depictions of such themes. Once again, Lancashire (2002 : 252) argues how the pastoral scenes on the planet Naboo in *Clones* echoe *The Sound of Music*, while the pod race in *The Phantom Menace* has echoes of the chariot race in *Ben-Hur*.

Having been a film student it is more than likely that Lucas would be conscious of such allusions within his saga. Thus the use of intertextuality is further illustrated. Clearly this shows that while the saga begins with the fairy tale type opening: 'in a galaxy far far away', it would seem from this examination that it is not that far away at all.

In addition to this, the use of bricolage within the saga also extends to the way in which genre boundaries have been blurred. Such use of intertextuality, according to Schatz (2003), marks a shift in film narrative. *Star Wars* arguably pioneered the obsession of 'plot-driven, increasingly visceral, kinetic and fast-paced, increasingly reliant on special effects, increasingly "fantastic" . . . and increasingly aimed at younger audiences' (p. 29). For Schatz, this allows the films to 'open up' to other possibilities; notably its 'radical amalgamation of genre conventions' (ibid. p. 30).

This is illustrated in the bar scene of Episode IV which introduces Han Solo. Schatz argues how this is an amalgamation of western, film noir, hard-boiled detective and sci-fi. The narrative of the films fluctuate widely from genre to genre: one moment a western, the next a war film. What this does, is 'open' the film to a range of multiple readings that allow different groups of people to find something different within the films. Such a phenomenon, Krämer (2001) feels, is why the films are so popular, because they appeal to both adults and children. Such a process is also argued to account for the success of *Harry Potter* (Blake, 2002).

The polysemic nature in which the films operate depend on the audience's knowledge of preexisting codes. It is because of the saga's ability to convey different meaning to different people that the films appeal to both adults and children in equal measure. Such a mix of genres then, increases its potential audience and marketing opportunities (Altman, 1999), and is a staple characteristic of Hollywood films (Neale, 1990 : 57).

This broad appeal, obtained through intertextual framing, is then commodified through cultural synergistic strategies at the level of the firm and marketed as a 'brand' which offers audiences a chances to experience the emotions of the saga vicariously outside the cinema through merchandising. Such strategies also promise that watching the films on DVD, or seeing the prequels, will generate the same structures of feeling that audiences experienced when they first saw the films.

Nostalgia on the one hand produces structures of feeling. This provides a means of obtaining a feeling for what it was perhaps like to experience a cultural property for the first time - in this case, watching the original *Star Wars* trilogy, or continuously visiting a Disney theme park. This allows people to recapture a feeling of

their childhood. These nostalgic structures of feeling are then exploited through cultural synergistic strategies (see later), as illustrated through the *Star Wars* Special Editions.

On the other hand, nostalgia can also provide us with structures of feeling as defined by Raymond Williams (1961, 1977). Through this, one is provided with an interpretative handle on the relationship between cultural experience of the past (Pickering, 1997: 32), in relation to where we stand today, and is a central analytical tool in the study of social history and cultural analysis. Such a tool can be used to help establish a sense of how things were in the past, for a particular time and place.

As Pickering (1997) argues, there will always be a gap that exists between the 'lived' cultural experience of the past and any attempt by cultural properties to reconstruct the texture of that experience in another time and through a different medium. While there is no 'correct' way of being able to achieve this, Lucas' use of intertextuality tries very hard to close the gap through his appropriation of political history and mythology. In turn, these give rise to articulating a sense of a person,/ group / society's place within the social world; and is one of the main characteristics of a myth structure: viewing the reflections of a culture or government of a certain time in a story as it unfolds (Hanson and Kay, 2001 : 57).

George Lucas: Creative Leadership

Lucas as Auteur

There has been a substantial amount of commentary written on auteur theory. It is not the intention of this section to engage in an extensive analysis of this, but rather to consider some of the ways through which Lucas can be seen as an auteur.

Buckland (2003) argues how, when speaking of Hollywood auteurs, 'we are referring primarily to auteurs of the classical tradition, who work inside the institution of Hollywood but are able to react against its mass-production techniques and master the filmmaking process to the extent that they can create stylistic and thematic consistencies . . . in their films' (p. 85).

Lucas, as a true independent (unlike Spielberg), works against this view. While ILM and Skywalker Sound are an intrinsic part of the Hollywood institution, in terms of where they lie within the networks of production, Lucas himself operates outside the conventional Hollywood framework. While Lucas has total control over his films within the marketplace, he does not own his own studio (such as Spielberg), nor is his film production company (Lucasfilm) part of a large vertically integrated conglomerate. Lucas would appear to be working against Hollywood, by creating his own self-made

haven for filmmakers that wish to preserve their creative control and freedom. In this sense, he is more like the auteurs of the Classical period.

The way Lucas conforms to the role of auteur under the Romantic view is also questionable. The Romantic conception of this, where an 'individualistic artist seek[s] personal expression through an artistic medium' (Chow, 1998 : 9), is problematic when the previous sections in this chapter are considered. The *Star Wars* saga relies on a mishmash of influences and styles. Lucas has collaborated with many other people to bring his 'vision' to the screen (especially in the development of special effects), and is a pioneer in developing economic synergistic networks to offset risk. In fact, *Empire*, *Jedi* and the *Indiana Jones* trilogy were not even written or directed by him.

Buckland (2003 : 85) argues how the concept of auteur has an 'internal' (mastery of the writing process) and 'external' (control of the immediate organisational and economic environment) dimension. The internal dimension further analyses the extent to which a filmmaker 'handles' their craft. It is concerned with 'the disposition of a scene, in the camera movement, in the camera placement, in the movement from shot to shot that the auteur writes his individuality into the film' (Caughie, 1981 : 12-13). It is all about how the director controls what happens within the actual image being seen (Perkins, 1972). However, for some (Gillman, 1989), in the current production networks of Hollywood, internal authorship is no longer enough in the creation of auteur.

Lucas can be seen as an 'external' auteur through his ability to work outside the Hollywood system (while ironically perpetuating it), the part he plays in the networks of production, his development of new technologies and digital filming and through his 'brand identity'.

To establish a brand identity, Buckland (2003 : 92) feels a product needs to express an inspiring, overarching, easily recognisable vision. It can

achieve these qualities only by establishing a value-based relationship to its customers - particularly an emotional experience. A brand is equated with the emotional feeling or memorable experience it evokes.

While it is clear that the saga creates emotions in fans that are beyond normal behaviour (Anon, 2005; Brooker, 2002; Clark, 2004), Lucas' brand image can be connected to internal auteur status through the themes that run throughout his films (not just *Star Wars*). These are similar to those identified by Rolf Jensen (1999) who identified six basic types of emotion that are central to advertising. These are: adventure; love and friendship, care, self-identity, peace of mind, beliefs and

convictions. Audiences have 'bought' into these experiences, promises and emotions that the saga conveys. As it was argued in the last section, Lucas has then used advertising and marketing through the exploitation of cultural synergistic strategies to commodify these emotions, providing a vicarious pleasure that exists outside the cinema.

Lucas though cannot really be seen as an internal auteur. Among other things, this is because of his lack of narrative ability (he only wrote episodes I, III and IV). In fact, Lucas admits himself that: 'I'm not a great writer . . . I'm trying to tell a story using cinema, not trying to write a great script. I use the script as a blueprint' (quoted in Leibovitz, 2005 : 51).

Lucas did though create his own unique style, something that not only reshaped the production of Hollywood films but also the aesthetic of the blockbuster. 'Star Wars pioneered the cinema of moments, of images, of sensory stimuli increasingly divorced from story, which is why it translates so well into video games' (ibid.).

Arguably then, Lucas does not handle *mis-en-scene* or narrative as well as, say, Spielberg, and most of the prequels have been subject to critical attack (e.g.s Christopher, 2005; Landesoman, 2005). If anything, Lucas' signature can be seen in how he uses special effects. Such use of spectacular imagery is considered a defining quality of the contemporary blockbuster form which Lucas pioneered through the first *Star Wars* film (King, 2003).

The main way that Lucas could be seen as an internal auteur is through the consistency of his themes. While he does not have a large body of work to draw on (he did not even write or direct any of the *Indiana Jones* films) his creative input comes from his ideas and story lines. These he draws from his experiences as a child growing up - in fact, parts of his own biography are also intertwined throughout the saga, as illustrated in table 3.3 over the page. The films he works on all have a common thread, providing a structure of feeling for what life was like in a given period a return to one's childhood. It has already been shown how each of the *Star Wars* trilogies reflects the political ideologies of the eras in which they were produced.

Lucas is often quoted saying that the original need to make *Star Wars* 'was to give young people an honest, wholesome fantasy life the way we had' (quoted in Jenkins, 1997 : 57). In fact all of Lucas' films have had a connection with the past. His first major feature film *American Graffiti*, provided a sense of what it was like to be a teenager in the US during the early 60s. It was a visual rites of passage in a small town during this time. The hotrods, the top ten musical wallpaper that formed the

background for everything that occurred in the film from drag racing to heavy petting, the drinking, the girls, the anxieties generated by leaving home. Set on the eve of the Vietnam War the film created nostalgia in many who saw it, as upon its release they would have experienced similar emotions as depicted in the film. In time, it became a symbol for American innocence and a means of providing a structure of feeling for time past (Biskind, 1998, 2005).

Table 3.3 - 'Star Wars' as a biopic of Lucas

Section within <i>Star Wars</i> Narrative	Connection with Lucas' Biography
Luke grows up on the dusty flatlands of Tatooine, facing a life working in the family business (moisture farming)	Lucas grew up on the dusty flatlands of Northern California, facing a life working in the family business (office supplies)
Young Anakin is a mechanical whizzkid, building both C-3PO and customising a Podracer	When he was young, Lucas was a mechanical whizzkid, customising his Fiat Bianchina. Later, he innovated while making <i>Star Wars</i>
Both Anakin and Luke suffer horrific, life-changing injuries	Lucas suffers horrific injuries, spending two weeks in intensive care after crashing his Fiat
Luke is sent on a new path by a cryptic transmission that opens his eyes to a much larger world	Lucas is sent on a new path (filmmaking) by discovering avant-garde films in San Francisco arthouse cinemas
Luke travels to Mos Eisley, a "wretched hive of scum and villainy"	Lucas travels to Hollywood
At a crucial point in his life, Luke befriends the flamboyant braggart Han Solo	At a crucial point in his life, Lucas befriends the flamboyant braggart Francis Coppola
Luke does battle with the Empire, a faceless conglomeration of unfeeling automatons who crush liberty	Lucas does battle with Hollywood, a faceless conglomeration of unfeeling automatons who recut Lucas' first two films (<i>THX</i> and <i>Graffiti</i>)

Note:- table based on Freer (2005b : 133)

Lucas has stated that he originally saw the evil Emperor as Richard Nixon. If this is the case, then the whole *Star Wars* saga can be read as a distanced, but nevertheless 'transparent allegory of the tumultuous decade in which . . . [Lucas] had come of age' (Biskind, 1998 : 342). The huge and all conquering Empire can only be read as the USA (or perhaps specifically, Hollywood), and the rag bag collection of

Alliance Rebels with their improvised weapons the Vietcong (or perhaps instead the New Hollywood movie brats).

Generally, it can be seen that while Lucas clearly exhibits characteristics of being an auteur, these have less to do with internal processes, and more to do with his control of external [economic synergistic] authorship.

Lucas as External Coordinator

By defining the theory of auteur as having two distinct dimensions, internal and external, a more rounded and accurate account of creativity can be provided than is possible using traditional theories of the creative 'individual'.

Judgments concerning value and creativity must take account of the 'human relationships and social processes through which an individual or group of people may have come to realise a particular creation' (Negus and Pickering, 2004 : 56). This chapter has shown that no cultural property comes to the marketplace in a vacuum. The various ways that both economic and cultural synergistic strategies are exploited largely control not only how (and if) a property will be made, but how it will be positioned. 'Directors do not work alone; film production depends upon the high division of labour in the industry' (ibid.) Negus and Pickering could not be more correct in their argument. If Lucas was unable to exploit the NICL and flexible specialisation more generally, the *Star Wars* films would look much different.

Lucas' ability to mark his properties with his own individual style in the way that Spielberg (or even Hitchcock) does may be questionable. While this would work against the view of auteur under Classic traditions, today's complex division of labour means that it is now increasingly difficult to analyse individual creativity as past commentators did with directors under the studio system. In many respects, the idea of thinking about a film as being 'a Spielberg' film, or a 'Lucas' film, now has more to do with the interests of marketing and simplifying those cultural synergistic strategies that attempt to create a 'brand' identity (Altman, 1999; Buckland, 2004).

Owing to the various ways that decisions can be made at different levels within an organisation, it may be problematic to determine (because of this diffusion) whether there is enough centralisation of decision-making to attribute the finished property to just one person (Jarvie, 1970) - which is certainly the case under post-Fordism.

Clearly, Lucas has enabled his creative freedom by negotiating hard with Fox. This has provided him with the independence to produce what he wants. Still, to preserve this independence, and to allow him to fund his own films, he is dependent on exploiting economic synergy to reduce risk. This is mainly achieved through the NICL,

but such coordination has also placed his post-production companies at the heart of Hollywood production. Such research and development are of vital importance to the industry. The majors are unable to offer such facilities, and constant innovation is essential to lure audiences to see the next 'spectacular'. By positioning his companies in offering the latest advances in technology, other filmmakers are usually forced to come to ILM and Skywalker Sound to utilise the latest developments in special effect and sound technology.

With his pioneering use of digital filming and the creation of digital characters, Lucas has also ensured that he has control of the future of filmmaking. By offering expertise in this new technology, once again, anybody wishing to use it will have to work with ILM. Many argue that the take-up of this new technology, particularly digital projection and distribution, will be slow (Kempster, 2005; Maltby, 2003; Solman, 2002). The reason for this is that it offers no new business opportunities, such as in the move to video and DVD. Ultimately, it makes editing much easier, and offers huge savings in production and distribution costs. There is no space to discuss such things here in-depth, however, technologically, it is far superior to the current system. The majors will resist such attempts to cut them out of distribution, thus further reducing its use.

Lucas' strengths then, lie in his ability to control and coordinate - much like Walt Disney before him. By developing and evolving film production, sound and editing, he has ensured that his companies play a pivotal role in shaping and controlling Hollywood. Interestingly, now that the *Star Wars* films are complete, Lucas has voiced a desire to move into other areas. While this may see him work on small scale (abstract) projects of his own (Freer, 2005b; Grant, 2005), he has expressed an intention to work as a producer on other peoples' films, starting with *Indiana Jones IV* (reprising his role in the other three films of the franchise). Here he would be responsible for a range of duties, chiefly seeing a project through the various stages of production. If nothing else, the prequels success (marketing aside) stems from his excellent ability to coordinate such economic synergistic networks.

Cultural Synergy and *Star Wars*

Nostalgia through Branding: The Prequels

It has already been argued how the prequels appeal to older audiences through a nostalgia for the original trilogy. The iconic representations from these films take audiences back to their childhood and connote structures of feeling that they experienced when they first saw the films. Such a technique underpins the success of

the Disney theme parks. The Special Editions were used to capture both old and new audiences into the franchise. This section will examine this process in greater depth.

Brand extension, or the use of an existing brand image to promote a new, associated, product or property is not new (Keller, 1993, 1998). It is an important marketing tactic that has been given much attention (Desai and Keller, 2002; John *et al*, 1998), and can be seen as a significant characteristic of cultural synergy. However, Brown *et al* (2003) argue how the successful revival of abandoned brands is increasing (Franklin, 2002; Mitchell, 1999; Wansink, 1997). For cultural properties, such revival makes economic sense. If previously successful brands have a built-in audience, it then follows that they will still have a certain amount of built in success. While reviving such brands can be costly, it is less then developing a new property from scratch and then trying to create a brand out of it (i.e. *Godzilla*).

The problem for Lucas was that the target audience for his principal brand had now grown up. While these people may still watch the original trilogy (for nostalgia and enjoyment), it was unlikely that they would participate in merchandising in the way that they used to as children. In this sense, Lucas needed to create a new trilogy that contained all the themes and motifs of the original, only aimed at a new generation. The Special Editions cleverly positioned the first trilogy so that it introduced new audiences to the saga, while luring them into the franchise. In effect, what Lucas was saying was: 'here is the ending, now find out how it began'. They cleverly demonstrate the use of retro branding within the intertextual use of connected products that characterises today's entertainment economy (Wolf, 1999). These intertextual 'connections' are then extensively exploited through the cultural synergistic strategies.

The theoretical foundations of brand revival and retromarketing have become of increasing interest in the field of business analysis over recent years (Brown *et al*, 2003). Summarising this work within the contexts of this thesis is both unnecessary and impractical. Still, there remains a distinct overlap between nostalgia, brand heritage and revival - as exemplified in the Disney theme parks - allowing their marketing devices to work on audiences' nostalgic emotions. Retro products combine old fashioned forms with cutting edge functions and thereby harmonise the past with the present (Brown, 1999, 2001). The Special Editions easily achieve this by combining the visuals of the original film, with post-production techniques of today.

Such an example clearly fits with Brown *et al*'s (2003 : 20) definition of a retro brand as:

the revival or relaunch of a product or service brand from a prior historical period, which is usually but not always updated to contemporary standards of performance, functioning or taste. Retro brands are . . . brand new, old-fashioned offerings.

Based on the work of Walter Benjamin (1973, 1985, 1999), Brown *et al* (2003 : 21) outline four themes in their examination of retromarketing and contemporary brand management. These are: Allegory (brand story); Arcadia (idealised brand community); Aura (brand essence) and Antinomy (brand paradox). These are considered the 4 'A's' of retro branding. It is possible to briefly consider how these apply to the *Star Wars* prequels.

In the first dimension, Allegory, brands are seen essentially as being nothing more than symbolic stories, narratives or extended metaphors. These can change in response to popular taste and trends which can account for why the two trilogies reflect the politics and aesthetics of the era in which they were produced. The brand story of *Star Wars* has already been discussed as a saga which recycles mythical structures to create a new, modern myth that blends the past and present together. In summary, this can be seen as a coming-of-age-morality tale that develops into a fall from grace for Anakin Skywalker. In terms of its cultural synergistic potential, the marketing contains many associations established from the narrative that forms the heart of the franchise. These take the form of many common mythic signs and archetypal 'heroes, sorcerers, sages, demons, fairy princesses, clowns and elfish entities' (Brown *et al*, 2003 : 26). Lucas has, in turn, used characters within the franchise to spin-off a further range of 'associated' merchandise to extend his core narratives into new [quasi] properties. This reduces risk, and provides him with further cultural synergistic opportunities (Fry, 2004; Russell, 2004 : 46).

In Arcadia, an almost utopian sense of past worlds and communities is evoked. The past is seen as being a magical place, which holds special feelings and memories. Such a definition is integral to the way Lucas uses structures of nostalgic feelings created in audiences who watched the original trilogy as children to market the prequels (Holbrook and Schindler, 1989, 1994, 1996; Moore *et al*, 2002).

This connection between the *Star Wars* retro brand and childhood or adolescence is something which Brown *et al* (2003) also found in their research on *Star Wars* Internet fan sites. Their research seemed to indicate that it was as if 'the brand has magical powers to transport consumers back in time, to thrill them in a way they have not been thrilled since they were children' (p. 27). Fans further use the brand narrative of *Star Wars* to construct their own utopian dreams and identities.

Such examples can be seen in the way audience members dress in the style of their favorite characters at conventions and at premieres of the films. However, Brown *et al* further point out how an active brand community can 'bite-back' if the text does not comply to accepted conventions within the brand - as illustrated by attacks on the *Phantom Menace* concerning the over use of special effects, the digital character Jar Jar Binks, the lack of narrative and the overplay of merchandising (Brooker, 2002 : 79-99).

The next theme, aura, is perhaps Benjamin's most well known concept. This refers to the sense of 'authenticity' that original works of art exude. This is important in brand construction because uniqueness provides a sense of belonging to a privileged group for the consumer (Aaker, 1996; Keller, 1993). The authenticity of *Star Wars* is the brand elements that consumers see as belonging exclusively to the franchise. These elements also comprise the themes, symbols and emotions that the saga creates. These are then commodified through cultural synergistic strategies, packaged in the form of merchandise, and then sold back to consumers. However, Brown *et al* point out that 'consumers co-create the brand meaning by carefully reading and interpreting brand-related communications, adding their own personal histories, and continually delving into definitions of the brand's authenticity' (2003 : 28). Such an argument supports the earlier claim that the films create polysemic meaning. Therefore each person's idea of the *Star Wars* brand identity and essence will be different - thus contributing to the franchise's wide appeal.

The final theme of antinomy refers to a brand paradox. There are perhaps several ways that this is played out, but the most noticeable exists in the way the franchise is accepted as a commercial creation on the one hand; but that it occupies a deeply meaningful part of some peoples' lives on the other. Morality issues such as this were identified by Janet Wasko (2001) in her *Global Disney* project. Consumers remain loyal to the Disney brand and enjoy its products. However, they are also critical of the increase in theme park prices and the company's intense marketing and merchandising efforts. A paradox is then created. They know that they are being exploited (and complain about it) but yet they still keep buying the merchandise. Such a paradox clearly raises questions over consumer sovereignty. Still, the extent to which consumers feel that they are manipulated by the cultural industries, while relevant to the question of the effect cultural synergistic strategies have, lies outside the methodological reaches of this thesis. Such questions remain for further research.

Clearly, this section has shown that not only do brands carry meanings that have been created by the central narrative but also through marketing strategies.

However, consumers themselves can (and do) create oppositional readings (Hall, 1980) to those ascribed and communicated to them by cultural synergistic strategies. These personal interpretations are often fed back to marketers (i.e. Lucasfilm) via fan sites on the Internet (see later section) and through the general sale of merchandise. To this extent, cultural synergistic strategies that create brand meanings through promotional material are often shown in relation to that which is commonly accepted by audiences / consumers (Kozinets, 1999, 2001, 2002; McAlexander *et al*, 2002; Muniz and O'Guinn, 2001). Otherwise, producers run the risk of not selling their properties, and alienating their consumer base.

Marketing the Image: The Prequels

Nicholas Garnham (1990) noted how the cultural industries have a unique problem that they have to contend with. Unlike other forms of production, cultural properties such as films, books, CD's and so forth are not used up in consumption. Much of the cultural properties produced can be re-enjoyed again and again. In this respect, in order to maintain the novelty and attraction for consumers in cultural properties that have a long shelf life (such as a film franchise) there is a significant emphasis placed on the novelty of marketing cultural commodities (McGuigan, 2004).

This form of marketing is often concerned with not only creating brand awareness, but also persuading consumers that they must have a certain product. While many commentators are unanimous that post-Fordism affects production, it also affects consumption. For McGuigan this is where "being different from the Joneses" has replaced "keeping up with the Joneses" (2004 : 122). The way in which flexible specialisation has allowed production strategies to respond quickly to consumer taste has meant that production, distribution and marketing have been dramatically speeded up. However, the often made point that neo-Fordism better describes the process, as the range of choice is merely an illusion (see Chapter One), will be discussed in the next chapter.

In his often overlooked commentary on management strategies for art-related business, Dag Borgegren (1996) has studied the strategic problems for the culture industries. Here, he argues how the strategies that cultural producers such as Hollywood use are 'multirational'. Clearly most businesses only pursue one type of commercial rationale, whereby cultural businesses have to combine a cultural rationale with commercial appeal. Obviously the way in which this is done varies from industry type (publishing may be different from Hollywood).

Many commentators clearly agree (Borgegren, 1996; Garnham, 1990;

Harmon, 1994; Levy, 2000; Prindle, 1993) that the chance of cultural properties failing in the marketplace is considerably higher than in other types of production. There is always a large amount of uncertainty over demand. While publishers may take a more cultural approach (certainly for literary publishing) by developing a small number of authors in the hope that one may gain commercial success, Hollywood is much different. Here, a more commercial strategy is developed which means 'art on the market's terms' (Bjorkegren, 1996 : 51). This largely 'focuses on controlling the supply, with a limited amount of . . . [properties] on the market, which are then supported by forceful marketing and expected to yield a rapid return on the money invested' (ibid.).

Hollywood uses a range of commercial cultural synergistic strategies to manipulate the market for a quick return. Many Hollywood workers (Evans, 1994; King, 2000; Phillips, 1991; Puttman, 1999) often seem to commission projects based on some inherent 'ability' that they 'know' what audiences will like. More often than not however, these 'projects' are tested out on samples of the intended target audience which often results in the film being recut in accordance to audience responses (thus affecting the director's 'authorial status').

It is because of the commercial strategy that Hollywood employs that such emphasis is placed on the opening weekend's box office receipts (Hayes and Bing, 2004). To satisfy such commercial approaches the film has to be an immediate success, otherwise the publicity support will be withdrawn before too much is wasted on it. Such a response can be seen in *Godzilla*. When it opened in 1998 on three thousand theatres in the USA, it was expected to earn \$300 million in its first weekend (Shone, 2004). When it took only \$55 million it was not considered to be successful enough to justify the high production and commercial costs. To this end, a quick gain was not going to result even though it did eventually (after a while) make over \$375 million from global receipts. This is why, while being the third biggest movie of 1998 it was still thought of as a failure.

Star Wars is anything but a failure. Merchandising aside, the franchise to date has earned more than £1.8 billion in total box office sales. When the merchandising is also taken into consideration this figure rises to over £6.5 billion. Such figures are evidence of the ways in which Lucas has used cultural synergistic strategies to exploit his franchise as much as possible.

Instead of analysing the history of Lucasfilm's merchandising strategies throughout the *Star Wars* saga, the principles of Bjorkegren's commercial strategy will be shown in how the prequels were released and marketed. This is mainly because

information on the prequels is currently more accessible, and a further consideration of the original trilogy would be far too lengthy.

As Gomery (2003) argues, more than a month before the first prequel was released in May 1999, Fox began a television campaign across its cable and satellite owned networks. British newspapers, such as the *Sun* and the *Times* also contained prerelease features and competitions. This is a good example of cultural synergy at the level of the firm, as both newspapers are owned by News International, who also own Fox. While Lucas spent \$115 million making the film Fox spent around \$50 million to promote it via various marketing campaigns. However, Gomery's point that Fox also lined up deals for further merchandising and publicity is incorrect. Such strategies were developed by LucasLicensing, the division of Lucasfilm responsible for granting licenses to companies involved in 'downstream' activities.

Marketing the prequels would be easier for Lucas than for the original trilogy. He now had a successful franchise that he could exploit. These various presold elements (such as the recreation of nostalgia, iconic images etc.), which were made stronger after the release of the Special Editions, formed a prerelease strategy for positioning the prequels. The success of this, and the recreation of nostalgia more generally, is illustrated through Fox's preview of *Menace's* trailer. When this preview was premiered on November 21, 1998 it caused the box-office taking of the film that it preceded, *The Siege*, to increase by 85 percent (Shone, 2004 : 276). *Star Wars* fans paid to see the film, waited until the trailer had been screened, and then left the theatre.

Garnham's 1983 paper, 'Public Policy and the Cultural Industries' (reprinted in Garnham, 1990) helps shed further light on Lucasfilm's deployment of synergy in cultural production. The sheer unpredictable nature of the industry in creating a suitable market between a commodity's use value and its intended position as a 'lifestyle' good presents serious problems to the business and marketing strategies of arts-related industries. Garnham has suggested that this can be overcome through the use of a repertoire. In the case of *Star Wars*, the repertoire can be seen as a 'canon' of material, comprising the original films, the special editions, authorised licensed adaptations of the films (the novels, radio dramas and comics) with everything else forming a type of quasi-canon (fan websites, expanded merchandise and so forth).

However, images from *The Phantom Menace* were so overpromoted through a tremendous marketing campaign that audiences received the feeling that they had already seen the film before it had even entered the cinema - thus possibly diluting

people's reaction to it (BBC, 2002). Such an explanation may account for why it was not as large a success as Lucas had hoped. While it took \$28.5 million in its first day in the USA (beating the record of *Jurassic Park*), this quickly fell to \$12.2 million by the following Thursday. While the die-hard fans helped its initial success, the over-saturation of marketing eventually wore people down (Shone, 2004).

The Phantom Menace would result in Lucasfilm completely rethinking their cultural synergistic strategies. While the original 1977 film reorganised Hollywood's approach to merchandising, so did the first prequel. As the BBC (2002) reported on their website, Lucasfilm admitted that the marketing operation that accompanied the film did not live up to expectations. Furthermore:

Lucasfilm . . . conceded that the associated toys for the film were "over-licensed", "over-shipped", and "over-saturated". The merchandising operation for the film was so vast that much stock was left unsold, disenchanting toy shops and other retailers. Pepsi alone manufactured eight billion cans of *Star Wars* soft drinks for . . . [the film].

Such an unexpected reaction to the marketing campaign resulted in Lucasfilm having no new soft drink sponsors for *Clones*, while the number of licenses for associated merchandise was cut by two-thirds (ibid.).

In many respects, though, granting licenses to downstream businesses is Lucasfilm's key business strategy. It is through these channels that Lucas uses cultural synergy. Here, the elements of *Star Wars* are turned into other cultural forms, giving rise to the 'expanded universe' that Chapter Five outlines in more detail. This illustrates the Frankfurt School's argument that mass production is marked by uniformity and standardisation - in both the products and consumer behavior. By exploiting the same product over many different distribution channels, cultural synergy only adds to this process of standardisation and homogenisation, thus creating a form of neo-Fordism.

Lucas can further drive up consumer demand for his products by restricting access to them. Garnham (1990) refers to this as 'artificial scarcity'. It can be used as the ultimate marketing device to transfer desire onto a product. Licensees can drive up demand for Lucasfilm merchandise by only distributing small amounts at any one time or by Lucasfilm controlling the release dates for the film and the number of screens a film will open on. Thus after being bombarded by advertising, audiences are hopefully so eager to see the film that once it is finally released they will attend in droves. Lucasfilm further manipulated audiences in the USA by only opening *Menace*

on 3,800 screens. As there were fewer cinemas to see the film in, audiences had to queue once again. This re-created the 'long queue syndrome' of a popular blockbuster of the 1970s. Subsequently, the way in which people had to see the original 1977 film was recreated - further adding to the nostalgia and hype.

In addition, Lucas has always tended to release the films around America's Memorial Day. By releasing the films around this holiday period Lucas also cashes in on people's increased leisure time. Furthermore, being close to the start of the summer holiday season Lucas can ensure that the film plays throughout the summer months, further capitalising on the school holidays. These release patterns are coordinated throughout the world to ensure that the same effect occurs, thus maximising audience attendance. For example, when *Episode II: Attack of the Clones* was released in 2002, the film's release in Japan was delayed for several weeks because Japan was hosting the World Cup Football tournament. It was felt that to release the film during this time would not make good business sense, as most people would be more interested in attending the football matches than attending the cinema.

It is clear that Lucasfilm's overuse of cultural synergistic strategies during the promotion of *The Phantom Menace* diluted its reception. However, such fierce marketing of an established brand did bring its advantages. Weeks before the film was released, licensed merchandise 'flooded toy stores, websites, fast-food restaurants, computer stores, music stores, supermarkets, bookstores, and newsstands' (Elliot, 1999 : 1). In addition to this, the Pepsi-Cola Company, a unit of Pepsi-Co, spent \$2 billion to promote *The Phantom Menace* and sequels (ibid.).

This meant that Lucasfilm itself could spend less on its advertising budget for the film. While \$20 million was initially allocated for this by Lucasfilm (a small amount in terms of high concept films) only \$14 million was actually spent. The excessive exposure it received through advertising via other companies through cultural synergistic strategies at the level of the industry was enough. In fact, the marketing campaigns of its licensees, merchandisers and retailers were in effect paying Lucasfilm to advertise the movie. Such an example provides further validity for the continuing argument that synergy is a process that operates at the level of the industry as a whole, and not just the firm.

By taking the core themes from the saga that have been recycled more generally from common myth structures, and then exploiting them through cultural synergistic strategies, Lucas commodified myth structures in general and also the *Star Wars* myths themselves, which is the ultimate in creating nostalgia. Furthermore such

a range of companies to market the *Star Wars* 'image' provides further illustration of how synergy as a process operates at the level of the industry and not just the firm.

This increasing reliance and importance of marketing inevitably leads to what Litman (1998) refers to as a 'product differentiation barrier to entry', whereby an oligopoly of maybe five to six firms control the film distribution market using expensive marketing campaigns to beat their rivals and bar entry to new firms. Through the use of elaborate advertising techniques marketers can accumulate, over time, consumer preferences (Hoskins *et al*, 1997 : 61). The so called 'accumulative preference effect' builds on the advertising clichés such as 'from the company that brought you . . .', or 'from the imaginative genius of George Lucas'. This, however, involves an assumption on behalf of the audience that they have either seen a director's past films, or know who they are. Many young children, at whom *Star Wars* is aimed, will possibly not know who the creator of the series is. The strategic marketing idea behind this concept makes perfect sense for the producer, but as marketers cannot be completely sure that audiences will identify with the advertising clichés provided, studios only achieve a hypothetical monopoly of audience awareness and taste. In this sense, "accumulative preference" alone does not sustain Hollywood's hegemony or justify the cost of marketing' (Miller *et al*, 2005 : 261).

The marketability of a film largely depends on the themes and icons within the film (or franchise) that can be used in promotion and advertising through 'trailers, posters, television, radio, magazines and the Internet' (Miller *et al*, 2005 : 264). It is also largely based on the ability to pre-sell these images through special cross-promotions that brings other industries together to market the film. Such examples can be seen in airliners, fast-food restaurants and soft drink manufacturers.

Clearly, *Star Wars*, being a high-concept based franchise with very strong visual properties (Lucas' trademark, authorial, signature), story, music and genre mean that it has huge marketable potential (Wyatt, 1994; Lukk, 1997). Such potential has been capitalised upon by Lucas, and as this section has shown, been exploited as fully as possible through cultural synergistic strategies. However, the [over]marketing of *The Phantom Menace* may have damaged the film's reception by diluting audience reaction. Consumers may have been made to feel the commercial strategy of Lucasfilm too much, and thus increased their awareness of Lucas' attempts to exploit them in an attempt to obtain as much of their money as possible.

There is a high amount of truth in this statement, as Wasko's Disney audience project (Wasko *et al*, 2001) clearly showed that it is very easy for consumers to become disenchanted if they begin to feel merchandising is becoming exploitative.

Still, the sales of merchandising from cultural synergistic strategies did provided the company with revenue that more than made up for the [perceived] box-office shortfall.

Figure 3.1 below, illustrates the promotional posters used in the cinematic release of the prequels.

Figure 3.1 - Promotional Film Posters for the 'Star Wars' Prequels



These posters helped develop the main visual narratives contained within the film that were used as a form of identity for marketing strategies. The posters also summarise the development of the central characters within the prequels, taking the character of Anakin Skywalker from child, to adolescent to eventual young man.

The first poster has the iconic face of Darth Maul in the background. Promotional material for this film largely focused on this red and black faced character, whose image become the main icon for marketing the film. Such framing of the main villain in the background was common in posters from the original trilogy, and is further used in *Revenge of the Sith*. The inclusion of the two droids, R2-D2 and C3PO further help to establish a connection with the original films.

The second film frames the characters of Anakin and his love Padme. This relationship is central to the film's narrative and the saga as a whole. An older Obi-Wan also reinforces (along with Anakin) that a significant amount of narrative time has passed since the first film.

In the final poster, the most important signifier is the iconic image of Darth Vader which capitalises on the presold elements of his image from the original trilogy. This further creates structures of nostalgic feeling in people who saw the original trilogy when it was first released (Plumb, 2004). Foregrounded is the battle between

Anakin and Obi-Wan that will ultimately lead to Anakin's fall to the 'dark side' of the Force and thus the creation of Darth Vader.

The posters also work together through another example of intertextuality with those from the original trilogy. These help audiences to weave together the narratives from all six films. This creates the image that the *Star Wars* brand becomes one single text rather than six separate ones. By using the common iconic images in the marketing campaigns (such as the villain in the background) Lucasfilm leads consumers to make comparisons. These 'preferred' readings (coupled with a similar layout) between all the films suggest that the prequels successfully 'blend' into the narrative of the original trilogy.

Regulation

Protection of Rights

Again, owing to space restrictions, it is not the intention of this section to engage with the legal imperatives that underpin the history and development of copyright law within Hollywood. Neither is it intended to debate the increasing tensions that exist between audience creativity and corporate ownership rights. Rather, the aim of the section is to outline how George Lucas uses intellectual property (IP) law to preserve his exclusive rights over the *Star Wars* franchise.

Such factors are important to consider from the point-of-view of Hollywood, as the vast majority of revenue generated from a film is dependent on secondary markets. As a result, both the economic and cultural synergies that are developed to exploit these markets are at significant risk from the unauthorised appropriation and distribution of cultural properties. The advent of the Internet, and digitalisation more generally, now further facilitates the ease with which consumers and fan subcultures can take copyrighted properties to customise and reconfigure in a variety of ways (Anon, 2005 : 78-82; Brooker, 2002 : 240-245). These can include reediting, fan films, fan fiction, slash fiction and so forth.

In many respects, this practice of creating new symbolic meanings from existing cultural properties illustrates Enzensberger's (1974) belief that 'everyone could and should become a cultural producer in relation to the major media of public communications' (McGuigan, 1996 : 80). While McGuigan rightly argues that such a belief is hopelessly utopian, the potential of new communication technologies demonstrates how production can be democratised - if only in part.

Arguably it would seem that the whole *Star Wars* saga has now become less about providing myth structures for a modern time, and more about trademarks and expanded properties that must be protected at all costs.

Copyright can be considered as primarily a means to identify and enforce the rights to a property. However, it is only one of three possible means through which Lucas can control the rights to his franchise. Patent law covers all the technological inventions that are made to bring the films to the screen. This includes the intellectual labour involved in creating the new techniques. Patent laws help ensure that only ILM is capable of offering such new technology as digital filming to the rest of the industry - thus placing them at a distinct advantage over their competitors. Trademark law covers the marketing and advertising strategies that are used, and protects symbols that uniquely identify a property (Goldstein, 1994).

The Internet has, as will be shown in the next chapter, enabled parts of the audience to become much more active at the level of production than under previous distribution systems. In many respects, the Internet has almost democratised production. It acts, on the one hand, as an extraordinarily powerful marketing and managerial tool (email etc.), but also in allowing for the sharing of digital dailies - something that is very important as the exploitation of the NICL facilitates globalisation. The majors can now also coordinate global release dates with greater precision, while allowing trailers to be accessed by anyone with a Internet connection - they are no longer limited to just cinemas and television. The MPA's recent announcement that films may be distributed over the Internet will allow the majors to launch their own pay-per-view Internet channels. This will cut out the middle companies who distribute Hollywood's properties in foreign countries (Soriano, 2001).

However, it is through the Internet that Lucasfilm has the most difficulty in policing the laws of IP. In late 1999 Lucasfilm successfully closed down (in partnership with the FBI and the Justice) over 300 sites that were offering pirated copies of *The Phantom Menace*. Only two days after the film was released in the US, pirated DVDs were available in Malaysia with Chinese-language jackets, made on duplicating machines capable of producing 20,000 discs a day (Michael, 1999). Pirated copies of the remaining two prequels were also quickly made available by using a camcorder in the cinema.

In her book, *The Cultural Life of Intellectual Properties*, Rosemary Coombes (1998) incorporates legal perspectives with cultural analysis to examine how IP regulates cultural economies, while resistance from audiences and consumers affects the commodification of culture. She argues that the relationship between corporate

producers of cultural properties and fans is complex (p.128). Increasingly, many cultural producers are beginning to actively seek the involvement of fans in the production of their texts. Such an example can be seen in the production of *Lord of The Rings* (Shefrin, 2004) and is discussed in the next chapter.

However, others see fan participation as threatening and competitive to the maintenance of IP. In these cases many producers try and regulate fan creativity and involvement to bring them under corporate control. Lucasfilm, as well as Disney, are two of the best known cultural producers who vigorously exercise their rights. Perhaps one of the central areas of regulation that concerns Lucasfilm directly is the battle they have with fan fiction and websites in preventing infringement of their copyright. This also includes regulating attempts by fans to impose male definitions of correct sexuality, while prohibiting works that challenge patriarchal assumptions (Coombs, 1998 : 128).

Initially Lucasfilm chose a middle ground approach to overcome this by suggesting an idea that fell somewhere between issuing an outright ban forbidding unauthorised use of its trademarks and allowing fans to reproduce freely what they wanted in their club publications (known as *fanzines* or *zines*). The solution that they ultimately took was to establish a no-fee licensing bureau that reviewed material and offered criticism about what might be considered copyright infringement. This way the ugliness of legal threats were avoided and fans could still produce material in a legal way.

However, fans continued to appropriate images and logos for their own use, forcing Lucasfilm to constantly monitor websites for infringement of copyright and other disagreeable activities. If found, Lucasfilm uses legal action to close them down. However, with the Internet it is the inability to completely regulate it that makes it so attractive to fans. To overcome the problem of regulation Lucasfilm's decision in 2000 to offer fans web space in the virtual domain of its official site, would seem to suggest a new strategy towards fandom of all kinds. On the surface many have seen it as a generous offer. Fans are given space on the official site, the ability to play with 'dynamic content' from the main site, and affiliation with the corporate web address.

However, everything the fan puts on the site belongs to Lucasfilm (under section 8.6 of the fan.starwars.com terms of service). Lucasfilm has cleverly shifted from repression to containment by drawing fan production into its own enclosure where it could confiscate anything it does not like, and consequently use anything it does like. This also solves the problem of monitoring other sites (all fan sites are contained within the overall 'official' site) and also bad publicity. Lucasfilm could stay with the

alternative system of seeking out objectionable fan sites and issuing cease and desist letters, but they run the risk of appearing like a tyrannical father and upsetting consumers. The offer of space on the official site places the company more in the role of kindly uncle. Either way, this clearly concretises Adorno's argument that consumers have little opportunity to resist the cultural industry (either their products or their regulation). In this respect consumer sovereignty seems increasingly less likely.

The use of fan sites in the creation of the *Star Wars* phenomenon is consistent with Castells's (2000 [1996]) argument that the computer is more liberating than television. This provides a global network through which people can come together in the form of shared interests (a type of synergy in itself). However, the eventual ability for the Internet to act as a virtual democratic public sphere is extremely questionable in the light of the regulatory power of large cultural businesses such as Lucasfilm. Their behavior towards fan sites illustrates the continuing battle of commodification and decommodification, and the central importance which political economy has in understanding the overall process. Future analysis should focus on the synergy which exists between social uses of information-communication technologies (ICT) and the contextual environments in which they are used.

Conclusion

This chapter has examined how synergistic strategies are developed and used within the flexible, post-Fordist, structures of production. In contrast to the highly rationalised techniques of Fordism, the flexible production strategies that characterise New Hollywood greatly increase the chances of spreading economic risk across a number of different companies. In addition, such strategies further take advantage of the inherent economic savings that can be made by filming outside the US.

Through the characteristics of the NICL, Hollywood production has increasingly moved overseas to take advantage of cheap labour and economic incentives. Such a trend has furthered Hollywood's grip on the cultural scene, perpetuating America's globalisation of both cultural and economic markets. This has led to an erosion of textual diversity that has had the effect of closing markets and reducing freedom of choice for audiences and consumers.

While post-Fordist production has liberated workers from their efficient, but highly rationalised, mechanised work; it has also increased the number of temporary positions. While workers within the Fordist structures of Disney had little creative freedom within their jobs, they were assured continuous work. Post-Fordist strategies have allowed producers to share economic risk by establishing synergistic networks

with other companies, but they have consequently reduced the number of permanent staff that they now require. While workers have achieved the [creative] freedom they wanted, they now find themselves competing for a shortage of positions on a temporary *ad hoc* basis. In fact, in a drive to keep costs low many productions are now made outside of the US. This has a dramatic effect on local economies, while producers now exploit the low paid talent of poorer countries. Economic synergistic strategies have fragmented the American film workforce.

Star Wars marked a turning point in the production of Hollywood films and showed the majors just how valuable outsourcing could be. Through the shortsightedness of Fox, Lucas was able to negotiate his freedom from the corporate constraints of Hollywood to establish a haven for film makers. Such freedom has allowed him to operate both outside and inside the industry simultaneously, while spearheading the rise of the independent film industry.

It was argued that the franchise is a salient example of creating nostalgia by extensively exploiting cultural synergy at the level of the industry. The marketing of the Special Editions lured a new generation into the franchise while rekindling nostalgic interest among older people. Cultural synergistic strategies then capitalised on this, while reselling nostalgia back to older audiences in a variety of different ways and packages. The associated merchandising has enabled Lucas to commodify the myth structures that underpin the narrative of the films while aiding the intertextual dimensions of the saga.

The chapter further showed how the concept of intertextuality works on several levels. First, the relationship between texts within a saga, and second, the relationship between text and marketing strategies; and finally the relationship between the text and the systems of production in which it was created (political, social and cultural).

However, when the first *Star Wars* film was released in 1977 its nostalgic appeal was in the way it invoked the cultural experiences of the generation who grew up in the 1940s and 1950s. It provided a remembrance of the Saturday afternoon serials that they (and Lucas) enjoyed as children. The film satisfied a repressed longing to experience these nostalgic feelings once again. While, like the prequels and the Disney theme parks, children and adolescents could enjoy it at face value; adults were able to satisfy a much deeper nostalgic need to return to their childhood and relive the moments they first experienced these types of cultural forms. The original trilogy 'reintroduced to American film a subgenre that had long been dormant, the philosophical fantasy' (Gehring, 1988 : 257).

This is what the creation of nostalgia through cultural synergy at the level of the industry achieves: *a longing to return to one's childhood (or past) to experience again the pleasure that viewing a certain cultural form had for the first time*. Such a remembrance then provides further memories of one's childhood or past, and all the emotions and experiences connected with it. Such an argument is consistent with Jameson (1996 : 192) who also sees *Star Wars* as being a nostalgic film. For him, new categories need to be created to account for such texts. The study of the creation of nostalgia is a way of examining and explaining Hollywood's deployment of cultural synergistic strategies at the level of the industry that rely on recycling past properties in a variety of ways (i.e. sequels, re-releases etc.) to make them appear new and original. In this respect, the 'nostalgia' film can be seen as a new genre that can be examined through the extensive way cultural synergy is exploited.

In many ways, it was difficult to identify Lucas as being an auteur in the sense of traditional classic auteur theory. Rather, it was proposed that because of the complex way in which creativity is organised within Hollywood today, the idea of 'auteur' should be broken up into two dimensions: 'internal' and 'external'. While Lucas clearly has difficulty conforming to the characteristics of internal authorship he has clearly mastered the external. It is, then, possible to argue that Lucas is an auteur, but only in his ability to coordinate external networks and contracts. It is through this, that his companies have come to dominate Hollywood post-production.

From this, the chapter discussed a different way of considering creativity under the highly cooperative networks that are created through using synergistic strategies. It was proposed that because of the highly networked way in which contemporary Hollywood works, any examination of value and creativity must take account of the 'human relationships and social processes through which an individual or group of people may have come to realise a particular creation' (Negus and Pickering, 2004 : 56). Post-Fordist strategies clearly show that creativity does not take place in isolation, and that future studies need to break away from the tradition of examining cultural producers in terms of traditional theories of authorship. This will allow for the highly complex relationships of production to be understood more clearly.

The way in which Lucas has exploited and developed cultural synergistic strategies was also discussed. The examination restricted its focus to the recent prequels for the sake of clarity and space. However, the account of how merchandising plays an important role in helping to create a 'brand' fills a significant gap within the body of cultural analysis more generally. Accounts of merchandising and marketing are often overlooked within studies of Hollywood. By placing the study

of *Star Wars* within the larger body of cross-marketed texts that make up the saga, it becomes easier to see how important synergistic processes are in linking all these various separate, but nonetheless, interconnected texts. Within the vast textual universe that is contemporary cultural production, such an approach allows the repositioning of old questions to be answered in ways that take account of the rapid changes in Hollywood business strategies (Couldry, 2000).

The complex way in which synergistic strategies 'connect' the various dimensions of a property, not only illustrates the complex nature of New Hollywood, but further reinforces a point made in Chapter One. Future studies can no longer focus on the production or the property in isolation. Rather, as this chapter has shown, we must consider the economic, technological, industrial and commercial dimensions as a whole. The process of synergy has made it impossible to 'identify or isolate the "text" itself, or to distinguish a film's aesthetic or narrative quality from its commercial imperatives' (Schatz, 2003 : 17). As Eileen Meehan argues, 'we must be able to understand them as always and simultaneously text and commodity, intertext and product line' (1991 : 62).

It is arguable that the decision to make the prequels was less about completing a creative vision (as Lucas makes out), and more to do with raising revenues that would allow Lucas to expand his companies (see *Lucasfilm: A 'New' Hollywood Company* section earlier in this chapter), and to develop new technologies for the next generation of filmmakers and audiences. Extra revenues are now being raised by spinning off associated properties connected with the saga, not just through comics and novels, but also in a new animated television series. These in turn will generate further associated merchandise (Turgeon, 2004).

As with other blockbuster franchises, it is this connection with the economy and the commercial imperatives that underpin the need for cultural synergistic strategies that have been used to undermine the cultural status of the films (Hills, 2003). Arguably, synergistic strategies have had a marked effect on the 'quality' of Hollywood properties since the late 1970s. However, the marketing of the *Star Wars* saga has tried to elevate its cultural status. Examples of which include the positioning of the narrative as a myth for a 'timeless audience' (Mackay, 1999). This use of academic work by cultural authorities (such as Campbell) to 'legitimise' the films, and the way fans have embraced them helps to revalue the status of the blockbuster (Hills, 2003 : 186) while allowing fans to 'legitimise their fandom' (p. 187).

Clearly, the way that fans use and appropriate cultural properties to construct alternate identities and communities has a central role within the field of reception

studies (Ang, 1985; Bacon-Smith, 1992, 2000; Fiske, 1987; Hall, 1980; Morley, 1980; Radway, 1987; Tulloch and Jenkins, 1997; Wasko *et al*, 2001). However, owing to the distinct lack of any serious academic study into the reception of *Star Wars* - unlike Disney and *LoTR* (Wasko *et al*, 2001; Barker *et al*, 2003 respectively) - this chapter has avoided any analysis concerning reception of *Star Wars*. Such an analysis would be, at best, speculative and thus lack any theoretical validity.

However, the image of the saga as being 'timeless', is a notion that has been drawn on by the Smithsonian and Barbican during their *Star Wars* exhibits ("The Magic of Myth" and "The Art of *Star Wars*" respectively). Such institutions of cultural authority further provide space for the [cultural] status of the saga to be played out, by seemingly endorsing the significance, longevity and contribution of the films. However, these institutions' own economic agenda of exploiting a phenomenal cultural success such as *Star Wars* or *LoTR* in order to increase their attendance figures, makes their 'autonomous' position highly questionable.

CHAPTER FOUR

Lord of the Rings

Introduction

This final case study chapter highlights the generalities of the synergistic process that have been examined in detail during the proceeding chapters. Such a discussion concretises the arguments and observations already made. In addition, this chapter further situates synergy more securely within the broader field of corporate action and business strategies to ensure that it is also consistent at both the illustrative and conceptual levels.

The *Lord of the Rings* (hereon referred to as LoTR) franchise though, differs from the other cases previously discussed in the sense that it is produced entirely in New Zealand using equipment and expertise found exclusively in that country which is not owned by a Hollywood major or subsidiary. While *Star Wars* was made in Australia (as well as other countries) it was produced using the world-class services of a leading Hollywood special effects and production company. This gives rise to questions concerning the relationship between Hollywood and local 'national' film industries and identities.

The first section of this chapter examines how the LoTR project was produced. This starts by first outlining how it was initiated before moving on to discuss how its production is situated within the New Zealand film industry. Production of LoTR incorporates elements of post-Fordist flexible production with routinised jobs that are characteristic of Fordist production strategies more generally. In other words, production is still largely based on Fordist principles, but modified by the addition of more flexible production, distribution and marketing systems that have been developed through synergistic strategies.

Such a process may be better described as being *neo-Fordist*. The use of remote collaboration technologies within film production generally is just one way in which the style of neo-Fordism can be seen to exist. Such a process, it will be argued, occurs as a result of developing economic synergy within the organisational networks that comprise 'New' Hollywood production.

'Peter Jackson: Creativity and Authorship', discusses how Peter Jackson's creative role to the project can be seen. Unlike Lucas, and Disney before him, Jackson does not own the rights to the franchise he has produced. Because of this, his role is situated more clearly as being an employee within the Hollywood studio system. It is Time Warner who retain ownership and profits, not Jackson. In light of this, Jackson's contribution to the saga can be seen in the way that he has not only coordinated aspects of the production network, but also how the thematic heart of the films resonates with the original novels upon which they are based.

The next section, '*Star Wars* and LoTR: Textual Comparisons and Similarities', analyses how LoTR creates both nostalgia and a new mythology by combining previous themes and styles, while recycling many traditional myth structures in the same way as Lucas. Such an analysis provides a further opportunity to examine how cultural synergy operates at the level of the industry through forms of intertextuality.

Cultural synergistic strategies at the level of the firm are then discussed in the following section. While many of these are similar to how previous case studies have intensively exploited cultural synergy, this chapter will also discuss how New Line Cinema took advantage of the Internet and electronic distribution technologies to promote the franchise.

As stated on the previous page, LoTR is significantly different to other franchise blockbusters, such as *Star Wars*, in terms of the relationship it has with the tourist industry in New Zealand where it was produced. In light of this significant difference, the second half of this chapter will consider in more detail how 'national authenticity' is constructed (Jones and Smith, 2005). This is based on the idea that the films were used to create a national identity for New Zealand by being an 'exclusive' New Zealand property. This 'identity' is then further strengthened by linking the locations of LoTR with a national tourist campaign that was developed in conjunction with the films. This was then exploited through various cultural synergistic strategies that established links between the Middle-earth of the saga with present day New Zealand. This clearly shows how the process of synergy can not only work at the level of the industry, but also *between* industries.

The final section then discusses questions of reception by arguing how the Internet was used to 'authenticate' the films by targeting Tolkien enthusiasts. Such a process is fueled by new online producer/consumer affiliation networks to increase the perceived 'authenticity' of the films. By ensuring that potential audiences are active at the level of production, then filmmakers can ensure that the end property will be exactly what audiences want to see. Such strategies obviously have a significant impact on 'creativity', and sees the old means of audience testing being taken to new, dynamic, levels.

Lord of the Rings: Hollywood, New Zealand and Production Strategies

A Passage of Rights

The film rights to LoTR, the property, have passed through several hands over the years. Smith and Matthews (2004) offer a detailed guide to the various adaptations of LoTR. However, this section will focus on providing a summary of the significant stages.

It was United Artists (UA) that first owned them during the 1960s, but because of the instability that the film industry was experiencing at the time in the US, UA did not have the resources to be able to develop the project.

In the 1970s, the rights passed to Saul Zaentz. A respected producer, Zaentz would later have success with such films as: *One Flew Over the Cuckoo's Nest* (1975), *Amadeus* (1984) and *The English Patient* (1997). However, resources would become an issue once again. While Zaentz was able to persuade several directors, such as John Boorman, to consider the project, ultimately it was the problem of having to compress the trilogy into one film that caused them to pass.

Since there was nothing else that Zaentz could do with the property, and owing to the fact that he needed to make some money back on it after having bought the rights from UA, he agreed to produce Ralph Bakshi's ambitious animated adaptation. Released in 1978 and running for two hours, the film was a commercial flop. Owing to various constraints the animated film only adapted the story half way. Using many of the animation techniques that Disney employed for his classic animation films (Smith and Matthews, 2004 : 54-55), Bakshi mixed traditional animation with drawings traced over live-action footage (Shippy, 2003). This clearly showed the problems facing any future adaptations. The cost of battle scenes were prohibitive, as the technology to create many of the required effects was not yet developed. Unfortunately, given the poor reaction to the film the filmmakers were unable to secure funding for the follow-up that would complete the tale. In this light, the animated adaptation is not very popular because it is essentially incomplete.

Peter Jackson had long held ambitions of producing a live-action version of the books. His early career, however, involved him making a series of low budget splatter films in New Zealand. After the release of his first 'mainstream' film *Heavenly Creatures* (1994) (about a woman who was killed by two teenage girls, one of them her own daughter) by Miramax, Jackson began to enter the mainstream. It was while in post-production during *The Frighteners* (1996) (starring Michael J. Fox) at his own special effects company in Wellington (Weta Ltd.) that Jackson began to see the

possibilities in computer graphics. Up to this point, most of his films had benefited from a sizable investment from the New Zealand Film Commission (Grant and Wood, 2004). Taking onboard something as ambitious as LoTR would require larger backing.

The rights to the books were still owned at this time by Zaentz, who had bought them for a 25 year period (Mottram, 2003). After giving Jackson his permission to go ahead with a treatment, Jackson took the first of a two-film proposal to Miramax in 1995. After the deal with Miramax for *Heavenly Creatures*, Jackson had a 'first-look' deal with the company and any future projects he was considering had to be offered to Miramax first. The potential synergistic networks were further complemented when Jackson learned that Miramax was currently financing Zaentz's latest film at that time: *The English Patient*. After the relative success of *Heavenly Creatures*, Jackson felt that Miramax would fund the project. While such relationships aided Jackson, it still took a further year for Miramax to finally secure the rights from Zaentz.

The project was initially developed with Miramax for two films. While Jackson argued the need to produce three films, the Weinstein brothers were cautious of such an ambitious project and felt that they could only fund two. During an eighteen-month period, Jackson worked closely with Weta in research and development to establish the technology required to produce the films. Miramax realised that the films would eventually be too expensive for them to produce. As part of the Disney company, they were still allowed a degree of autonomy for decision making. However, their budgets were also decided by Disney and the maximum cap that had been determined was not enough. Even though Miramax argued for an increase, Disney refused (Jackson and Sibley, forthcoming).

In light of this, Miramax thought it wise to revert back to the original project of making just one film. The Weinstien's are notorious for the levels of interference they make in the creative process (Biskind, 2004). For LoTR, they presented Jackson with a list of cuts that would allow him to develop the three parts of the narrative into a single two hour film. Given Jackson's reservations over such an approach, Miramax allowed him a one month period to find another studio that would produce the project. If Jackson failed, then Miramax would take back control and find another director that was prepared to produce a one-off two hour version. However, should another studio agree to produce it, then Miramax would want a profit-participation scheme (5% of the gross takings) as they had already spent a considerable amount of money on development, in addition to being reimbursed for their initial development costs.

To this end, Jackson met with New Line Cinema. As a division of Time Warner, New Line enjoyed substantial financial backing (Wyatt, 1998). Instead of

insisting on making just one film, New Line's Robert Shaye saw the problems inherent in this approach. He agreed that three films needed to be produced in order to properly adapt Tolkien's epic narrative. Funding for this project was budgeted at \$270 million (partly raised by pre-selling the international rights). Such a decision meant that Jackson's team needed to start over again, as the initial two script treatment now needed to be developed for three films. They required a different structure, pacing and momentum. This created an additional eighteen-month period of revising, rewriting and preparing. Eventually, in October 1999, principal photography began for fifteen months.

New Line's relationship with its parent company has sometimes faced tensions. During cutbacks in 2001 (Klien, 2003) Time Warner made Shaye fire 100 of its 600-plus staff, while publicly singling out New Line's big-budget comedy *Little Nicky* for damaging corporate earnings (Pryor, 2004). Many felt that the production of LoTR would decide the fate of the company remaining part of the Time Warner conglomerate. However, New Line's ability to control the production process through the issue of holding the rights to adapt the LoTR novels into a film franchise will be discussed below when Jackson's role with the various creative networks are considered.

Hollywood and the New Zealand Film Industry

The ability of the majors to forge networks of production with other companies 'outside' the principal firm to share economic risk, is the staple characteristic that underpins the notion of 'economic' synergistic strategies at the level of the industry. The way that this operates in practice has already been extensively discussed in the proceeding chapters. However, out of all the countries that Miller *et al* (2005) see as being especially prevalent to the development of the NICL, New Zealand is sorely overlooked in their analysis.

The fact that LoTR is funded and distributed by a studio that exists as a subsidiary of a large multinational conglomerate, means that it is able to draw on the corporate synergistic divisions that the conglomerate can offer (mainly for exploiting cultural synergistic strategies as Disney does, at the level of the firm); while it retains much of its autonomy. In addition, by using the resources at their disposal from their parent company, these 'independents' are increasingly able to expand the budgets available for producing and marketing films. Furthermore, the ability to bid for distribution and production rights of any given property increasingly limits true independents from entering the market. Such factors help these 'independents', by

increasing their market share from driving other production and distribution companies that are not owned by a media conglomerate out of business.

In an economic sense, the term 'independent production', according to Maltby (2003), has become effectively integrated into the activities of the majors. This further strengthens the majors' ability to control more easily the production network. Major studios now reduce risk by allowing the subsidiary company the autonomy to make its own production and distribution deals. Normally, it is the subsidiary that funds the project (by drawing from the resources of the parent company), but spreads risk by exploiting the NICL through subcontracting companies.

It is not the intention of this chapter to discuss the defining principles of the NICL again; or how flexible networks are established. Rather, this section extends previous discussions of the process by using the New Zealand film industry as a further case study that addresses the process of facilitating the NICL.

Peter Jackson has always sought the financial assistance of the New Zealand government for help in the production of his films. Most notably this came from the New Zealand Film Commission and was used to help establish his name in the late 1980s as a director of splatter horror films such as *Bad Taste* (1987) and *Braindead* (1993). Recently, in the wake of LoTR, any filmmaker who now spends more than \$30 million on production in New Zealand, will receive a 12.5% rebate from the government when the film is produced (Miller *et al*, 2005). Such incentives as this further persuade Hollywood to move their production to countries such as New Zealand where tax breaks and subsidies exist in order to reduce cost and bring much needed employment into the country. While some argue that it could cost the New Zealand government as much as \$25 million a year (Pulley, 2004), the ability to draw big-budget productions to the country such as *Narnia* and Jackson's own adaptation of *King Kong* could generate up to \$250 million combined for the local economy. Such possibilities makes the NICL increasingly attractive for both sides, with the exception of the American labour market.

Such extensive use of the NICL gives further weight to Hesmondhalgh's (2002) argument that while many Hollywood films are 'seen' as being American, more often than not they are made around the world by exploiting foreign locations and skills and are not 'American' at all. In this sense, American films contain a certain amount of 'global capital'. As the growing importance of securing Hollywood production becomes central to many countries, their role in the continuing restructuring of economic policies has presented a growing interest in the relationship that exists between Hollywood and smaller [local] industries (Cherbo, 2001; Kehr, 1999). What ties this whole process

together in allowing Hollywood to exploit the NICL is the economic synergistic networks that they create with other studios and subcontractors in these countries.

For New Zealand, the production of LoTR was seen as being a national project that witnessed different cultural industry activities coming together in a synergistic manner which all revolved around the films. Production of LoTR created a range of associated benefits to the country that further fueled into the New Zealand economy. Perhaps the main way that this can be seen is in the various tourism campaigns that were linked to the films in order to persuade people to come and visit 'Middle-earth'. This will be discussed in more detail during a later section.

What is interesting about these films is that they are based on a series of books written in England, but financed by a leading Hollywood major that created a New Zealand brand identity through many of its cultural synergistic campaigns. But it is the length of time that was invested in the production of these films that offers the best opportunities for New Zealand. Released over a three year period, and filmed for a concentrated 18 months before that (excluding the time taken in pre-production), the level of exposure it offered New Zealand is unlike many other blockbuster films. The real benefits are hoped to be gained now that the films are finished, by being able to capitalise on the image that they created. Such hopes are concretised by the New Zealand Prime Minister, Helen Clark (2001a):

Set against the spectacular and diverse New Zealand landscape, *The Lord of the Rings* trilogy has the potential to be a major tourist promotion and investment tool for years to come, by highlighting the country's national beauty and the creative talents of its people across a wide range of knowledge-based industries.

In light of this, the New Zealand government has vigorously pursued a range of funding packages to actively promote and develop areas of benefit that the production of the films has established. Specific opportunities range from: promoting New Zealand as a film location and investing in the infrastructure of the film community; the promotion and marketing of films that are made in New Zealand by New Zealand talent; tourism promotion; convincing New Zealand talent that has migrated away to Hollywood to return; increasing the country's global image by highlighting its talent, creativity and innovation in all areas of film making (Clark, 2001b). Such strategies arguable sees synergy working at the level of the overall economy also.

Discussing the New Zealand film industry in detail is beyond the scope of this chapter. However, what is clear from many sources of data (Belich, 2001; NZIER,

2002, 2003; Pinflicks Communications and NZIER, 2003; SPT, 2003) is that the growth in feature films produced in New Zealand has been slowly growing. From five in 1940-72 to 120 in 1973-2000. In addition to this, investment in film production stood at \$NZ 308 million in the year ending March 2001. This period though covers the early production of LoTR and accounts for the economic synergistic networks that were established during this time. Economic synergistic strategies within the New Zealand film industry is quite common; given its small size. In this respect, it is not common for one company to operate exclusively within film. As Jones and Smith argue (2005), the New Zealand film industry is strongly linked to other cultural sectors of production, most notably technology; and serves as an example of how economic synergy is mobilised at the level of the industry.

The presence of Jackson's own special effects company, Weta Digital, while not occupying such an active position within the networks of post-production as ILM on a global basis, has been very important in the success of the Rings trilogy. Since the production of these films, Weta's position on the global stage has substantially increased. This raises the question of whether it may eventually be able to challenge ILM's dominant role. What is seen as being important to the New Zealand film industry is its ability to forge economic synergistic networks (from which cultural synergistic strategies are developed) of its own with a range of related industries: from tourism to digital technologies, design (including fashion) as well as museums (NZTE 2003-2004; Office of the Prime Minister, 2002). Clearly this ability to 'network' with a range of different industries is most compelling from the point-of-view of synergy. It clearly shows that while the process can be argued to work at the level of the industry (as other chapters have established), it is clear that within New Zealand at least, it is also possible for the process to operate *between* industries. Furthermore, it would appear that regional clustering of industries to promote these synergistic networks is actively encouraged by the government (Clark, 2003).

It took the production of LoTR, however, to create a new relationship between Hollywood and New Zealand. While other countries had long established themselves as being able to offer the benefits inherent in exploiting the NICL, New Zealand had to wait. Essentially, Peter Jackson has turned the tables on Hollywood. Instead of following the proven path of establishing himself in the US, he has actively sought to bring production to New Zealand instead. This in turn not only promotes New Zealand 'talent' to global markets, but also saves money by exploiting the NICL. Arguably, cost savings played a significant part in his approach (Larson, 2002). For example, the

\$150 million that Universal Studios provided to finance the production of *King Kong*, would be much nearer \$200 -250 million had it been produced in America (Pulley, 2004).

However, the real argument that many writers like Jones and Smith (2005) feel is at stake here, is whether the New Zealand film industry is effectively funded and sustainable. For them, the question lies in the ability to determine whether a national identity can be made for New Zealand when Hollywood begins to increase its production within the country to take advantage of the NICL through economic synergistic networks. The cause for this, they feel, is because commentary surrounding Hollywood marks it as being a symbol for the international film industry. Any Hollywood production then automatically removes any national claims about its identity. While McGuigan (2004) is quite right to argue that such films as *Star Wars* may be called, 'made in Britain', they are still largely seen as being American - a problem that concerns the New Zealand film industry.

Even though Hollywood has increasingly started to turn towards New Zealand for production, it is the role of the government as a mediating force in re-branding the country's cultural industries through a range of policies that has led to it having a much higher national and international profile.

While many embrace the economic benefits that Hollywood production brings, others such as Film New Zealand (the New Zealand international film office) offer fierce arguments over the potential benefits that may exist by selling New Zealand as 'Studio New Zealand'. This basically reduces the country to the level of others that vigorously promote the NICL to Hollywood in order to entice them. Rather than being able to preserve their own identity, the country merely becomes another cheap overseas film location for Hollywood. This may seem as if New Zealand wants to have their cake and eat it. While they are not opposed to the investment that Hollywood money can create, they also wish to still be able to develop their own industry to produce films based on local stories. Other countries may have sold out to Hollywood, but New Zealand still wishes to retain their own identity. Unlike countries such as Spain, they do not want to become a cheap backlot for Hollywood that stifles their own national identity (Reid, 1986 : 16).

Flexible Neo-Fordism through Remote Collaboration

Castells (2000 [1996] : 169) argues how the 'rise of the informational, global economy is characterised by the development of a new organisational logic which is related to the current process of technological change, but not dependent upon it'.

Through this, not only can new organisational practices emerge, but developments to existing modes of flexible specialisation can be achieved that almost rationalises production once again. It is through the convergence and interaction between a new technological paradigm and organisational logic, that it can be argued how flexible production is possible without a radical departure from the routinised jobs characteristic of Fordism (Taplin, 1996).

Through the growing implementation of new technologies in relation with the exploitation of the NICL, varying degrees of automation in the production of films is achieved (Sayer, 1989). These new technologies that rationalise production through the use of digital filming and advances in editing software, often result in job losses for the highly skilled, high paid workers in core sectors of production. For those that occupy more subordinate positions within the increasingly hierarchical production networks of New Hollywood, work remains semiskilled and largely labour intensive. Such a process seems diametrically opposed to the innovative workplace practices that require multi-skilling and increased worker autonomy that many argue are central to the flexible production systems of traditional 'post-Fordist' networks.

Through the use of new organisational practices that are being developed by recent blockbuster productions (*Star Wars* prequels, *LoTR*, *Matrix*, *Jurassic Park* etc.) by adapting economic synergistic strategies, studios are evolving different means of being able to respond to the highly competitive business of film production. Such production today also places increasing emphasis on shorter production times, so that properties can be rushed into cinemas in order to capitalise on market trends. In this sense, flexibility is achieved upon a revived form of labour market segmentation, technological innovation, work intensification and wage depression characterised by the geographically dispersed divisions of labour inherent in using the NICL. Such a system can be perhaps best described as: *flexible neo-Fordism*.

The previous chapters have shown that economic synergistic strategies are established between companies who join together for the duration of a film to share the economic risks inherent in producing cultural properties. The exact ways that this is achieved, through different parts of the film being produced in different countries at the same time, or different stages of post-production being performed by different companies in different locations, has already been discussed (particularly in the last chapter).

The various economic synergistic networks that are established during this time through coordination may require the use of 'remote collaboration' (Palmer *et al*, 2001). In the case of a film project there is a 'setup' period. While this allows people within

the network to move from stage-to-stage, it also better facilitates those companies that may be working on other projects to finish their tasks before moving over onto LoTR. Nevertheless, they are still in contact with the new project and are already involved in decision making. Often, there is a closing down period too, where some members of the network have completed their contracted tasks and have moved on to another project - while still finishing off the current one. Such a feature is particularly salient of ILM who work on many different films. Given that these factors are further intersected by the limitations of time and space, then not everybody will be physically on-site for the entire duration of the project's life. Palmer *et al* argues that the use of remote collaboration helps to 'link members of a project through time and space - even before and after the project's duration - and helps them to overcome difficulties arising from location constraints' (p. 193).

Economic synergistic networks arose out of a period of vertical disintegration in the late 1950s and early 1960s (Birkmaier, 1994; Faulkner and Anderson, 1987; Miller and Shamsie, 1996). However, for Palmer *et al* (2001) the use of remote collaboration did not become a significant part in the organisation of film production until the early 1990s (p. 193). The 'boundaryless' network organisation that characterises Hollywood makes the use of remote collaboration networks a salient organisational type (De Fillippi and Arthur, 1998; Jones and DeFillippi, 1996).

While Palmer's *et al* analysis in the use of remote collaboration revolves around seven organisational dualities, this section will only consider the more relevant issues in connection with the development of economic synergistic strategies.

Previous chapters have clearly showed how production networks within Hollywood business are comprised of many different companies that all offer specialised talent that the majors have no expertise in. Such examples could include: investors, technicians, general labourers caterers, creative personal and so forth. The use of computers within the production process has enabled the stages of pre-production, production and post-production to occur simultaneously, rather than in the linear fashion of previous times (Baker *et al*, 1996; Francett, 1994). In addition, labour has become organised globally through the use of the NICL. Outsourcing becomes more common as a result throughout all stages of production, thus furthering the range and diversity of the economic synergistic networks used (Aksoy and Robins, 1992).

Remote film collaboration was performed extensively on LoTR (Jackson and Sibley, forthcoming; Pryor, 2004; Sibley, 2002), to a level not even used by Lucas in the *Star Wars* prequels. As the saga was filmed all at once, Jackson frequently relied

on second unit directors to oversee the filming of other [secondary] scenes (ibid.). However, he was always able to oversee the quality of what was being shot at a distance (often he was in another location within New Zealand) via secure electronic networks. Such networks were further used to help coordinate post-production work when Jackson was in another country and needed to work on parts of the edit. This enabled, for example, Jackson to be 'virtually' present during a recording of part of the score and interact in its production, even though it was being recorded in London and he was in New Zealand. Such a feature was used by Lucas to videoconference with other teams in the production of the *Star Wars* prequels, but not as extensively as Jackson used for editing and post-production by distance.

In this respect, remote collaboration is most likely to be used to facilitate the production networks within the pre and post-production stages of a film (Chandler and Gidney, 1994). However, Palmer *et al* (2001 : 194) further argue that it can occur at any stage:

within pre-production (e.g. joint decisions on casting, selecting locations), production (e.g. transmitting dailies or rushes from production sites to decision makers, coordinating animation work), post-production (approving of editing and special effects work), or related publicity (trailers, advertisements).

Such descriptions are particularly good examples of how the production of LoTR used the process of remote collaboration to develop their economic synergistic strategies. These took advantage of new technologies to overcome geographical limitations, and to further rationalise production in order to increase efficiency. In this respect, remote collaboration technologies enabled: 'electronic delivery [for conferencing, sending dailies back to America and so forth], accessing resources and materials [pre-viz, see previous chapter] and joint real-time remote decision-making [to enable people to make joint decisions while being in different locations]' (ibid.).

Remote collaboration allowed Jackson and his production team to be far more creative. They could change scenes as often as they wished at extremely low costs anywhere in the world, and often without being in the same place as each other. However, at the same time, remote collaboration encourages the routinisation of creativity (Palmer *et al*, 2001).

Such routinisation refers to a 'normalizing process, where it becomes normal within an organisation to take a certain action' (ibid. p. 198). This is consistent with arguments made by Tyre and Orlikowski (1993 : 18) who found that 'successful implementation means that, over time, the technology becomes increasingly integrated

into the production process. The new technology gets physically interconnected with the rest of the production process, and users learn to rely on it for production needs'. This has significant parallels to Rogers (1995 : 399), who noted that 'routinisation occurs when the innovation has become incorporated into the regular activities of the organisation, and the innovation loses its separate identity'. The development of such technology (particularly digital filming) means that the production process becomes much more flexible, allowing directors to try multiple attempts at a given scene before deciding on the final version.

The way that companies such as ILM have offered this new technology to others within the production networks of Hollywood, via economic synergistic networks, has increased the ability for directors to be more 'laissez-faire' during filming because things can now be 'fixed' during post-production. Such factors lead to the routinisation of creative labour. For LoTR, Jackson was able to remotely experiment with various scenes while being able to make multiple changes in collaboration with his editors and producers. Such a benefit was noticeable when Jackson went back and made further editorial decisions for the 'extended' versions of the films. The ability to experiment with scenes became a routine part of the production process for LoTR, allowing Jackson the luxury of being able to explore more 'what-if' questions. Such possibilities of increased collaboration and nonlinear editing further served to 'speedup' production. As more and more directors increasingly turn to these new technological advances, then their benefits become accepted as part of the normal production process, and this becomes routinised.

Strong comparisons can be made between the restructuring of labour using new technologies as described above, with the way Walt Disney used developments in technology during the production of *Snow White* to allow an assembly-line approach to the production of his animated feature films. This allowed for the specialisation of labour to emerge, which was marked by the use of [relative] unskilled workers in less demanding roles. For example, new advancements in special effect technology developed by Weta, allowed animators to rationalise some of the procedures developed by Disney during the production of *Snow White*. The digital character of Gollum was animated by computer based on the filmed performance of actor Andy Serkis. Finer details were then added by artists, modellers, editors and composers at each stage of production. Often, these people did not even have to be in the same building or even country, such was the benefit of using remote collaboration.

Such comparisons further substantiate the argument that the production of LoTR can be perhaps better described as being neo-Fordist. This is because (as

outlined in the introduction) production is still largely based on Fordist principles; only slightly modified by the addition of more flexible production, distribution and marketing systems that synergistic strategies develop. Such arguments can also be extended to consumption practices. Although there is a perceived growth in consumer choice, with each new property being marketed as original and different, closer inspection shows that many of the products are actually very similar - this will be discussed further in a later section of the chapter.

Peter Jackson: Creativity and Authorship

Questions of authorship and leadership have already been discussed in relation to both Walt Disney and George Lucas. This was provided in order to determine how the synergistic process under different production strategies affected our understanding of the concept of auteur.

In the last chapter it was suggested that film production often involves large amounts of collaboration to provide a form of collective creativity. While such arguments work against the Romantic image of the struggling auteur working against the studio system, it was nevertheless shown that directors within contemporary Hollywood do not work alone. The division of labour within production is high, as exemplified by the NICL. In addition, decisions are made at various levels within the organisation that further work against the view of the director taking sole responsibility.

Unlike Lucas, Jackson is very much a 'team player' even though he has insisted on working within his native New Zealand. In this respect, his ability to control the 'external' networks of the immediate organisational and economic environment are less notable than Lucas. In fact, Jackson does not own Weta Digital outright, but rather is part-owner. In addition, his relationship within the corporate networks of New Line Cinema are more tightly interwoven than Lucasfilm's relationship with Fox. In light of this, it is easy to see how New Line remain in control of the external networks of production to a greater extent than Fox is with Lucas. This is why production of LoTR is perhaps better understood from the point-of-view of neo-Fordism. Even though flexibility is used in the exploitation of economic synergistic networks, New Line (as was the case under the mass-production system of classical Hollywood) maintain control of the hiring, marketing and distribution decisions. Unlike Lucasfilm, Jackson has no say in New Line's strategies to such factors.

Many writers have pointed out how major corporations can use copyright law and intellectual property legislation to further control the external networks of production (Bettig, 1996; Coombe, 1998; Negus and Pickering, 2004). While a

detailed discussion will be avoided here, as New Line were the major funders of the LoTR project they ultimately were able to control and profit from all economic and cultural synergistic strategies that were developed [by them]. Such a feature was not possible for Fox with *Star Wars*, who did not own or fund the films. New Line's position as a subsidiary company of a multinational conglomerate further reinforces Jackson's role within corporate synergistic networks as being far more subordinate than that of Lucas.

It is also difficult to acknowledge LoTR as exhibiting Jackson's stylistic conventions and thematic consistencies to provide a sense of the films being intrinsically 'Peter Jackson', in the same way that we could say that *ET* is a typical 'Spielberg' film. The reason for this is because Jackson has not made anything comparable to these films. In addition, while his position within Hollywood has certainly been raised since LoTR, he does not occupy a key position within the industry in the same manner as Spielberg and Lucas; nor do his companies. However, with time, this may certainly change.

For example, the profits that he has received in light of LoTR has allowed him to establish his own 'studio' complex in New Zealand (Three Foot Six) that is largely based around the same organisational structure as Lucasfilm (Sibley and Jackson, forthcoming). By offering post-production facilities and special-effect design, Jackson is hoping to lure future filmmakers away from Hollywood to New Zealand. Here, post-production can be offered that is as good as that performed by ILM only for a fraction of the cost. As a producer, director, and co-owner of this growing film complex, Jackson is almost trying to vertically reintegrate the stages of filmmaking; only within New Zealand.

Jackson's 'external' authorship can perhaps be best located in his creative entrepreneurship in trying to bring Hollywood production to New Zealand, not only boosting the New Zealand film industry but also the local economy (O'Leary and Frater, 2001). Many commentaries of Jackson revolve around his ability to fuse creativity and business skills together (Donald, 2002; Pryor, 2004; Wright, 2004). Lucas and Disney certainly have large amounts of business acumen in light of their ability to control the networks of production, as is Disney's ability to be an effective leader. In this sense, their roles as external auteurs is not in question. However, both Chapters Three and Six have raised serious questions over their ability to control 'internal' networks of creativity. Jackson, on the other hand, is far more able to demonstrate an ability to create a new type which reconciles the dualism's of 'art' and

'commerce' to create a new creative identity (Prichard, 2002). In the case of LoTR, Jackson is not just the director; but also one of the screenwriters and producers.

Following on from the work of Jones and Smith (2005), perhaps the main way that we can account for Jackson's authorship currently lies in the 'internal' aspects of the definition as proposed in the previous chapter. This can be seen in not only how Jackson has tried to remain as loyal as possible to Tolkien's books (see the last section of this chapter), but also how he has used the films as a textual property to create a unique product that showcases New Zealand talent and landscapes.

The films themselves cannot be seen as a distinctly New Zealand story, mainly because at its narrative heart it exists as a fantasy film that is supposedly set in another land. However, because of the way in which Jackson has been able to showcase the country of New Zealand through his coordination of the 'internal' aspects of creativity, then the films have been 'claimed as an authentic New Zealand cultural product that is emblematic of both actual and possible economic and cultural development (Jones and Smith, 2005 : 953). For Downie (2003) and Brocklesby *et al* (2001), Jackson's success in producing LoTR can be seen as exemplifying the 'Kiwi ingenuity' that many New Zealand citizens claim as a national trait. Such arguments are further concretised by the New Zealand Prime Minister when situating the New Zealand creative industries as a prime centre for creative projects that spread across a wide range of knowledge-based industries (Clark, 2001b).

Such a statement serves to strengthen the claim that New Zealand offers opportunities for exploiting both economic and cultural synergistic strategies not only at the level of the industry as a whole, but also between industries. Jackson's ability to bring this to the attention of global Hollywood is perhaps the main way in which his 'leadership' status can best be examined.

Star Wars and LOTR: Textual Comparisons and Similarities

Narrative Comparisons: A further example of neo-Fordism

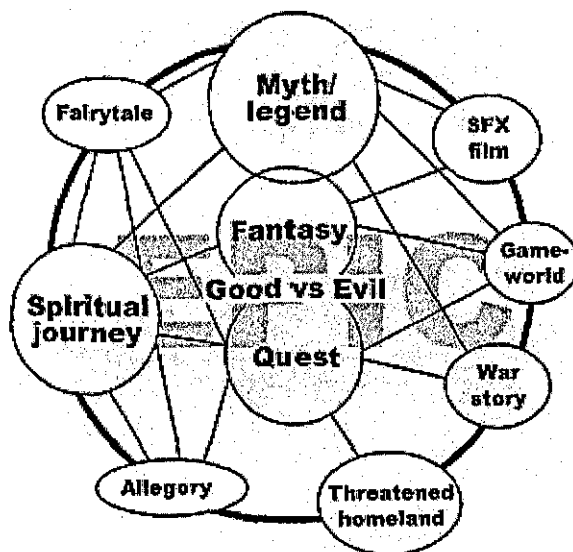
Tolkien's background as a Professor of Anglo-Saxon at Oxford University provided him with an opportunity to develop his interest in the connections that existed between language, myth and nature. Throughout the many studies that have been written on him (e.g.s. Bloom, 2000; Carpenter, 2002; Pearce, 1998), Tolkien was also interested in the natural world. However, he began to grow increasingly weary of the way that it was deteriorating. He was unable to find any comfort in the modern age, with its growing emphasis on technological 'innovation' that only served to place nature in further jeopardy.

Tolkien was also concerned over the lack of any mythological structures that existed in Britain. Over the centuries, due to various invasions and occupations, established Saxon myths had slowly been diluted by occupying armies. What Tolkien wanted to establish was a story that gave a 'mythology for England' (Chance, 2001; Petty, 2002). By seeing how closely the narratives of LoTR and *Star Wars* are to each other, then it is possible to see how they both encapsulate and recycle the traditional patterns of the mythological hero's quest, as summarised in the previous chapter by Joseph Campbell (1949). Tolkien's work is very much a 20th Century mythology that is deeply rooted within the familiar pattern of the three-stage hero quest that Campbell identified - departure, initiation and return. Writers such as Petty (2002), have further shown how the saga also relates to the elemental motifs of folktales, as outlined by Propp (1968) and expanded upon by Levi-Strauss (1955; 1966). However, such deeper considerations should not detain us unnecessarily.

In arguing that both franchises follow the same narrative patterns, and thus mythological structures and appropriation, then if *Star Wars* can be seen as a modern myth so too can LoTR (see fig 4.1 below). Both LoTR and *Star Wars* may exist on

Fig 4.1 - Representation of how the basic folkloristic / mythic structures in LoTR and 'Star Wars' interconnect

NB - diagram taken from Barker (2004 : 39)



different levels in terms of how they can be considered as works of art, but their similarities are quite significant. Each body of work has been turned into a successful franchise. For *Star Wars* this was primarily in cinematic form, but for LoTR this was in publishing first. Both texts broke the rules for commercial success, and their respective backers each took enormous financial risks early in their development.

The use and appropriation of myth runs deep within the narratives of each saga. Both start from a normal conventional environment according to the setting of the story, before moving into a series of different

settings that are either dangerous or strange. Later, the central character becomes

established as the archetypal 'hero' and, finding himself in exile, must fight armies and monsters (in addition to temptations of power) before having to face a supreme Enemy.

Each saga takes a central character that will develop as the narrative unfolds, after choosing to accept a challenge that is faced with danger and peril. Along the way, this character will undergo various trials that mould them into a better and stronger person. This becomes possible only with the help of an old guide who possesses great wisdom and magical power; in addition to being able to fight in a crisis, while further companionship is provided in the form of comic companions. But, it turns out that each guide has long watched over the hero, who unbeknownst to themselves, contains great wisdom and power, and on whose shoulders the freedom of a great many people from evil oppression rests. Early in the story though, the guide dies fighting to protect the developing hero, giving them and their party time to escape an enemy fortress. Later, this guide appears to the hero again after a type of 'resurrection' to become a more spiritual being. Such an analysis sees the recycling of themes and imagery through forms of intertextuality. This has been argued as the result of extensively exploiting cultural synergy at the level of the industry.

This generalisation can now be applied in more detail (based on Colebatch, 2003) to the two narratives. Each hero becomes aware of 'bad news'. Dangers have always existed outside the boundaries of the hero's land; whether this is in the green burial-mounds on the Barrow Downs outside the hobbits' Shire, or the sand-people that live in the wastelands beyond Luke's uncle's farm. To begin, the enemy is a distant presence; but in time each hero begins to understand that they cannot escape the attention of the enemy. They quickly realise that hope and freedom rests entirely on their ability to succeed in their quest. Interestingly, it is also worth noting how the enemy is conventionally robed in black, while both central characters eventually throw away their weapons after understanding that it will no longer serve them.

In each story, a secondary enemy is present in addition to that of the principal one. While less powerful, this other enemy is a former member of the 'good' side before being corrupted by evil. Ultimately, both these figures hold ambitions of overthrowing the main figure of evil. Both these characters tempt our heroes of being able to bring peace to all if they simply 'give in' to the temptation of joining evil. Saruman offers Gandalf an alliance, while Vader offers one to Luke. However, both reject the offers.

Each hero eventually meets a wandering warrior, who while mistrusted to begin with, develops into a firm friend who joins the hero in the climatic battle. However, the

battles that take place simultaneously that involve the larger armies of good and evil are both heavily outnumbered. In both cases, it is only the bravery of those involved that wins the day.

It has been suggested that both heroes have to go through a period of development on their way to eventual greatness (Petty, 2002). They quickly become aware of the political and military issues that they must overcome and resolve in addition to their own moral responsibilities. In both tales, a central theme that is constantly played out is the difference between their humble status and the eventual position they will occupy on completion of their quest. Still, they do differ from Leader-Figures in mythology in that they are not the 'chosen ones' but rather ordinary people who become extraordinary in light of the journey they make and the responsibilities they accept.

Both central figures quickly realise that their worlds are in a state of ruin, or soon to be. Luke's home planet is obviously dying under the tyrannical rule of the Empire. In LoTR, Middle-earth has been devastated by colossal wars, while the decay of the good societies is far advanced.

Both figures are wounded in their quest. For Frodo, after destroying the ring he is sent into the West for healing. He seems to be slowly dying in spirit and mind, and his journey to the West is to better aid the healing process. Luke pays a similar price after first confronting Vader, in the sense that he also becomes a type of sacrificial figure. After losing his hand, he will always be part machine like his father before him. To this end, there is a possible indication that the ability for him to turn to the dark side always exists within him.

Apart from being able to gather friends around him while his journey is progressing, each hero also encounters numerous secondary enemies who ultimately can be seen as secondary (or subsidiary) agents of the ultimate enemy (Shelob and Jabba the Hut).

Both tales do not dwell overtly on depictions of extreme brutality and horror when dealing with battles with the enemy. Their outlook tends to be optimistic at the conclusion of the story, and while their 'happy ending' promises no sense of peace reigning forever, there is a feeling that the two societies have been given another chance at establishing the natural order now that enemy has been removed.

These similarities between the two narratives are summarised in table 4.1 over the page:

Table 4.1 - Similarities between the narratives of LoTR and 'Star Wars'

LoTR	Star Wars
Gollum	Yoda
Shelob	Jabba the Hut
Magic Swords	Lightsabers
Aragorn	Han Solo
Pippin and Merry	R2D2 and C3PO
Gandalf	Obi-Wan Kenobi
Eowyn	Princess Leia
Saruman	Darth Vader
Sauron	Emperor Palpatine
Bilbo gives his magic sword to Frodo	Obi-Wan gives Anakin's lightsaber to Luke
Gollum bites off Frodo's finger, which plunges into the abyss with the Ring	Vader cuts off Luke's hand, which plunges into the abyss with Luke's lightsaber
Galadriel foretells the future, and Sam must decide whether to help his friends or not	Yoda foretells the future, and Luke must decide whether to help his friends or not
Galadriel warns that she's seen only one possible future	Yoda warns that he's seen only one possible future
Saruman tries to convince Gandalf to join the evil wizards, thereby bringing order to Middle-earth	Vader tries to convince Luke to join the Dark Side, thereby bringing order to the Galaxy
Mundane name and special name (Strider and Aragorn)	Mundane name and special name (Ben and Obi-Wan)

Mysterious figure throws back hood of robe to reveal that he's Gandalf	Mysterious figure throws back hood of robe to reveal that he's Obi-Wan
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N.B. - table adapted from The Rough Guide to The Lord of the Rings (2003 : 141)

Clearly, both sagas follow the same mythological structures as summarised by Campbell (1949). In this light, they also adhere very closely to the Mosaic Myth that Feuer (1975) portrayed as a series of situations and incidents. Viewed this way, it becomes more apparent that *Star Wars* is not only an appropriation of old myth structures, but that Lucas appears to have transferred Tolkien's Middle-earth into space. Such lack of originality only further serves to strengthen the current argument being made in this chapter, that neo-Fordism is perhaps a better means of describing the tensions between production and consumption within Hollywood.

Such tensions lie at the heart of Adorno and Horkheimer's critique of 'pseudo individuality'. As earlier chapters have argued, the ability of cultural synergistic strategies to 'spin-off' a cultural property across as many distribution channels as possible to maximise revenues and reduce risk - coupled with the constant recycling of previous products into 'remade' versions that are marketed as new and original - is an excellent example of the Frankfurt School's pessimistic outlook at mass produced culture. What they were able to identify through their concept of 'pseudo individuality', was the endless contradictions that existed between the promotional rhetoric of advertisements and the real situation that existed within the marketplace.

This argument is taken up by Jim McGuigan (1996 : 78), who points out that [cultural synergistic] marketing strategies today highlight consumer choice and individualism. In reality, these cultural synergistic strategies vastly exaggerate the actual power that consumers really have. In this respect, McGuigan (ibid.) makes the connection that:

'the post-Fordist' transformation of the older system of mass production and consumption, with its much vaunted 'flexible specialisation' geared to rapid changes in product line, which is very often merely repackaging and minor modification to product, may not be so radically different in practice from the standardising operations of monopoly capitalism that were excoriated by Adorno and Horkheimer in the 1940s.

In essence, this provides further weight to thinking about production and consumption practices within Hollywood (and the cultural industries in general) today

as being neo-Fordist. While the deployment of synergistic strategies are good for producers, it would appear that consumers are being 'duped' into thinking that they actually have more choice than they really do (Grant and Wood, 2004).

Fueling this drive to neo-Fordism is the integration of new technologies into various parts of the production cycle. This only serves to rationalise production further. The establishment of economic synergistic networks through remote collaboration (to exploit the NICL and so forth) then allows for a flexible approach to the specialisation and deskilling of much of the production work that is associated with scientific management and Fordism.

Myth and Ideology: Recreating Nostalgia through Intertextuality

The last chapter argued how texts are often 'constructed' by 'borrowing' (or recycling) from other texts, and this was shown through a consideration of *Star Wars* - a dominant feature of cultural synergy operating at the level of the industry. However, the use of intertextuality from Kristeva's (1980) perspective reinforces the idea that texts have no meaning in isolation, but rather that they are all dependent on a combination and compilation of sections taken from 'other' texts. Such arguments extend the way that the *Star Wars* prequels not only used the intertextuality of nostalgia created through the Special Editions, but how they encapsulated political themes of the time. Furthermore, this 'borrowing' from other texts further serves to reinforce the lack of originality in cultural properties. This then, concretises the argument for neo-Fordism.

The creation of nostalgia is played out here through the structures of feeling that are created (in both how the films create a nostalgia for a certain way of life, and in recreating the feeling in audiences that they had when first reading the books). The issues and ideologies that are established within the narratives can provide an interpretative means of being able to study social history. While it is not the intention of this section to become too mired in providing another similar analysis to that which was provided in the last chapter, it is interesting to note that similar ideologies are also constructed through the two sagas- once more illustrating how cultural synergy can be played out at the level of the industry through forms of intertextuality.

As with *Star Wars*, the rhetoric of LoTR revolves around promoting 'individualism against state, nature against technology, authenticity against artifice, faith and feeling against science and rationality, agrarian values against urban modernity etc.' (Ryan and Kellner, 1990 : 230). In providing a 'mythology for England', it is perhaps not surprising that LoTR creates a 'structure of feeling' for how Tolkien

preferred to see life in England. His love of nature is communicated strongly throughout his books, and is something that Jackson achieves well in the adaptations.

As the books were written after the Second World War, the growing urbanisation generated from the growth of industry troubled Tolkien greatly (Critchett, 1997). Such advances in industrial production began to erode parts of the countryside, to the extent that Tolkien placed 'all the blame for modern man's careless and destructive attitude toward nature on technology' (ibid. p. 36). At the time of writing LoTR, Colebatch (2003) points out that it would have been impossible to see England without 'being struck by the wrenching contrast between its pre-industrial rural and natural beauty and the spread and progressive nature of industrial and postindustrial ugliness' (p. 37). This could not only be seen in the way that coal mining had scarred the land and the way buildings had been left to go derelict, but also in modern additions such as tower-blocks. In an earlier piece of work, Colebatch (1999) argues how in 'Blair's Britain' this contrast is perhaps even more marked than it was during Tolkien's writing of LoTR. London and other large English cities, he argues, are among the filthiest, ugliest, most crime-ridden and depressing in Western Europe. In stark contrast to this, the ancient villages of England were increasingly highlighted against this backdrop of decay as being of 'dreamlike loveliness'.

Nostalgia is clearly played out here through the recreation of an 'old England'. The imagery of LoTR (both in the books and the films) portrays this through the construction of nostalgia. Such structures of feeling create an almost utopian quality of the 'perfect life' that is free of many of the dangers of modern society.

LoTR is considered by Tolkien, in his foreword to the second edition of the book, not to be an allegory of contemporary politics. While the previous chapter showed how *Star Wars* (both the original trilogy and the prequels) drew material from the political contexts that surrounded its production, it is perhaps slightly harder to draw parallels with LoTR. Having said that, as it was written during the rise of Nazi Germany and the subsequent war, LoTR clearly chronicles a war against a Dark Lord (Hitler) whose mission is the domination of Middle-earth (Europe) (Chance, 2001).

While such an allegoric analysis is arguably somewhat simplistic, Tolkien uses the destructive effect of technology on nature to highlight what he sees as the destructive forces of runaway modernity (Curry, 1997). By outlining his nostalgic view of England through the textual use of community, ecology and spiritual values found in the West of Middle-earth in general (and The Shire in particular), Tolkien achieves a re-enchantment of the world through his mythology. LoTR draws on both the ancient magical mythology that Campbell summarised, and also Tolkien's own Catholic faith,

to highlight how precious living nature (including humanity) is (Critchett, 1997). In our current climate of global warming and political terrorism, LoTR addresses many hard realities and fears that are perhaps even more salient today than when LoTR was written. However, a deeper textual analysis that examines the interrelationships between the themes of language, power and politics lie outside the scope of this thesis.

Having said that, the political dualism that surrounds the 'West/East' situation inherent within geographical political maps can also be seen within LoTR. For writers such as Scruton (1996 :585-586), the 'West' came to denote, first, the 'civilisation which arose out of Christianity and took on an expansive and increasingly secularised form at the Enlightenment and, second, the loose association of nation states which, as heirs to that civilisation and under pressure from common threats such as fascism and communism began to cohere as a block'. For Samuel Huntington (1997 : 46), the 'West' includes: Europe, North America and other European settler countries such as Australia and New Zealand. 'While 19th Century America defined itself as different from, and opposed, to Europe, 20th Century America has defined itself as a part of, and, indeed the leader of, a broader entity, the West, this includes Europe' (ibid.).

Within the narrative of LoTR, the ideologies of 'good' and 'evil' are situated within the dichotomies of West/East respectively. Colebatch (2003 : 43) illustrates how this can be seen further:

Numenor, the great island civilisation that drowned like Atlantis, was in the Western sea. In Middle-earth the West tends in general to be the home of peace, freedom, order in the natural rather than the coercive sense, prosperity, happiness, kindness, beauty and of what remains of the high and numinous . . . [T]he further east one goes the worse things get. For example, the evil wizard Saruman's tower of Orthanc is west of the good country of Rohan and much of Gondor (thus, with Sauron, threatening Rohan and Gondor with a pincer-movement from West and East), the evil Barrow-Downs and the Troll-infested woods are west of Rivendell, evil Mirkwood is west of Bard's good kingdom, and the Orc-infested Misty Mountains are west of the good Elvish realm of Lorien, Sauron's totally evil realm of Mordor is in the east from the point-of-view of the good people of Eriador, Gondor, etc., but beyond that are other lands

At the end of the books (but not the Jackson films), the Shire is damaged and broken by the evil Saruman. For Colebatch, this seems to be inspired by Britain under the Attlee Terror. The reason for this, is because 'Saruman and his henchman evoke

an ethic of Socialism, claiming that they are gathering things, that is, stealing the hobbits' property, for "fair distribution" (ibid.). However, the West within Middle-earth is associated with a certain state of mind and collection of ideologies that parallel with real life events. It is through this example, that we can see how the books draw on political British history that confirms set ideologies, in the same way that *Star Wars* draws on various aspects of American political history within its narrative.

Cultural Synergy and *Lord of the Rings*

'Independent' Marketing and Incorporation

New Line Cinema is just one of the many divisions of AOL Time Warner that produces and distributes films for theatrical release. However, many commentators still refer to the company as named above; this is inaccurate as the company changed its name on October 16, 2003 to 'Time Warner Inc.' (Annual Report, 2003 : 5).

The merger with America OnLine (AOL) in 2001 witnessed the blending of both old and new technologies that provided diversification strategies that would allow one of America's leading entertainment conglomerates to further develop its cultural synergistic strategies at the level of the firm with the country's leading Internet provider. This further illustrates how cultural synergistic strategies are a *product* of developing corporate/economic synergy. However, the relationship between synergy and mergers must be raised here again. The process of synergy is not an automatic byproduct of merging companies, even though most are defended on a need for multinationals to compete on a global scale (Mosco, 2004 : 219). The merger between the two companies was intended to 'take advantage of technological, political and social changes' (ibid.: 61), on a global scale, and was defended on the grounds of the *potential* synergies that it would produce.

However, as problems in the AOL Time Warner merger have shown (Klein, 2003), there existed a distinct lack of effective interaction between the two companies. Three years after the merger many of the newly formed company's top executives had resigned, with AOL Time Warner losing tens of billions of dollars in market value. Klein argues how some of this can be attributed to clash of management structures; although a deeper reason may be found in AOL improperly booking \$190 million in [advertising] revenue that it did not really sell.

New Line though still exists as a wholly owned subsidiary of the company. It distributes its films on video and DVD through New Line Home Video, while television and merchandising agreements are licensed through New Line Television. Based on their diversified film releases, the 2004 Time Warner Annual Report (form 10-K)

describes them as a company that 'releases a diversified slate of films with an emphasis on building and leveraging franchises' (p. 11). Apart from LoTR, these include the *Nightmare on Elm Street* series as well as the *Teenage Mutant Ninja Turtles*. Interestingly, the Report also describes a significant way that New Line creates economic synergistic networks for reducing financial risk and dealing with the rising cost of film production.

New Line's typical business model is to sell the international rights to its releases on a territory by territory basis, while still retaining a share of each film's profitability in those foreign territories - this was how the principal funding for the LoTR films was obtained, thus reducing New Line's economic risk.

Table 4.2 - Overview of Time Warner's Diversified Businesses

- America OnLine (AOL) - consisting principally of interactive services; e.g.s - AOL Services, AOL Anywhere, AOL International, CompuServe, AOL Broadband MapQuest, AOL Local, Moviefone, AOL Instant Messenger
- Cable - consisting principally of interests in cable systems providing video, high-speed data and Digital Phone services; e.g.s - Local News Channels and Joint Ventures (i.e. Road Runner, Time Warner Telecom, Texas Cable Partners etc.)
- Filmed Entertainment - consisting principally of feature film, television and home video production and distribution; e.g.s. - Warner Bros. (Warner Bros. Pictures, Television, Animation (inc. Looney Toones, Hanna Barbera), Consumer Products, International Theater, Online, Castle Rock Entertainment, DC Comics (inc. MAD Magazine)) and New Line Cinema (Fine Line Features, Home Entertainment, International Releasing, New Media, Television, Distribution, Merchandising / Licensing, Music)
- Networks - consisting principally of cable television and broadcast networks; e.g.s. - Turner Broadcasting Systems (i.e. CNN, TNT, Cartoon Network, Radio etc.) Joint Ventures (Cartoon Network Japan, Court TV, CETV, NBC/Turner, NASCAR Races, Viva +, CNN+, CNN Turk, n-tv), Home Box Office (HBO, etc and various joint ventures to expand the company's global reach - i.e. HBO Poland, HBO India, HBO, Korea etc.)
- Publishing - consisting principally of magazines and book publishing e.g.s - Time Inc. (inc. Time Magazine, Sports Illustrated and some 130 other magazine titles published worldwide), Time Warner Book Group (inc. Little, Brown and Company, Warner Books. AudioBooks, Books UK etc.)

A full and detailed overview of Time Warner's many divisions is not possible here. However, Wasko (2003 : 62-63) in addition with the company's corporate website, provides a detailed account. Table 4.2 above details how the company classifies its businesses into several fundamental divisions. Interestingly though, the company's holding: 'Warner Music', was sold in March 2004 as part of the company's

debt reduction program as a result of merging with AOL. Its recorded music and music publishing businesses was sold to a private investor group, removing a key link in the company's economic and cultural synergistic chain at the level of the firm. For example, soundtracks from its films can now not be released within the conglomerate through corporate networks but must instead be negotiated under license with somebody else.

For commentators such as Wyatt (1998), acquisitions by large studios such as in the relationship between Time Warner and New Line creates an interesting hybrid. Given the huge synergistic range of diversified companies that operate under the Time Warner group, New Line is able to develop cultural synergistic strategies that underpin the methods used for developing franchise films through aggressive marketing techniques, while also developing smaller, original, projects through its Fine Line division. The point that Wyatt is really making here, is that 'major independent's' such as New Line (and Miramax with Disney) have fragmented the marketplace for developing film projects. On the one hand, they are able to produce films that exist on the franchise 'blockbuster' level, but on the other they can also develop more 'independent' smaller scale projects that have the potential to crossover (in part due to the range of cultural synergistic opportunities on offer through the diversified holdings of the parent company) to a mass audience. Furthermore, by retaining a certain amount of autonomy, New Line (like Miramax) is still able to control their distribution and marketing strategies.

This is a significant departure from the way studios organised their divisions during the early 1980s. Here, the majors controlled the way that their specialised films were distributed. With no experience of these markets, they failed to engage audiences (Springer, 1983 : 55). By allowing company's such as New Line the ability to retain control of marketing and distribution, the majors further their diversification strategies via vertical and horizontal [re]integration while gaining entry into new markets with substantially reduced [economic] risks.

However, the fear with this approach is that an oligopoly is once again forming. Companies that are unaffiliated with major studios now experience a greater problem of acquiring new properties to develop at a fair price. The 'major independents' can outbid on anything they feel will be successful. Overall, this presents a 'concentration in the market for independent films, bolstering the status of the majors and major independents, and creating an increasingly competitive market for those smaller companies' (Wyatt, 1998 : 87). Clearly, Wyatt's continued argument that this represents a key shift 'in the industrial parameters of independent film, studio

moviemaking and the New Hollywood' (ibid.), is concerned with the way that Hollywood is becoming increasingly restructured. The pursuit of economic and cultural synergistic strategies through the use of vertical and horizontal integration has reconfigured New Hollywood in terms of its industrial, aesthetic and institutional dimensions (ibid.). This leads to further connections between whether production today can be seen as becoming increasingly neo-Fordist.

In many respects, the rebelliousness of independence turning into incorporation plays an almost tragic narrative. Filmmakers in the late 1970s and early 1980s desired a break away from the constricting working practices of the majors in order to give them greater artistic freedom and autonomy. Today, these same independents now welcome a return to the corporate family where they have greater economic security at the cost of creative freedom. The overall impact to the shape of Hollywood of this growing incorporation is that the market for independent cinema is becoming significantly reduced. Furthermore, the distinction between the majors and 'independents' such as Miramax and New Line are becoming increasingly blurred.

Marketing the Franchise: Electronic Benefits

This section discusses in more detail some of the ways that New Line was able to take advantage of the synergistic potential of its parent company in the promotion and marketing of the LoTR franchise at the level of the firm. As previously mentioned, unlike Lucasfilm, Jackson's company did not have any control over the marketing or promotional strategies used; this was retained by the funding studio, New Line. In this sense, the hierarchical structures are once again seen as being similar to that of classical Hollywood whereby the major controlled all aspects of production and marketing.

While many traditional forms of merchandising were created through cultural synergistic strategies to create additional revenues, this section will focus more on how the Internet was used when discussing specific examples. Most of the action figures, puzzles, replica swords and so forth were created under license by 'downstream' companies (see *The Rough Guide to The Lord of the Rings*, 2003 : 243-258 for a detailed summary of such items). In addition, further revenue was obtained by selling the rights to feature characters' images on soft-drink cans and fast-food products - the same as *Star Wars* and other blockbuster franchises. New Line however, took advantage of its connection with AOL via Time Warner to increase the marketing potential of LoTR with minimal cost. This is where the franchise differs from *Star*

Wars, and marks it as a true innovator within the field of online cultural synergistic strategies.

In the same way that the success of *Star Wars* was argued to be largely based on the polysemic nature of the narrative, so too can LoTR be seen as a franchise that appeals to both children and adults alike. Building a potential franchise around such a wide audience base is likely to reduce the risk of it becoming an immediate failure. Additionally, what connects films such as LoTR with others like *Star Wars*, *Jurassic Park*, *Harry Potter*, *Spiderman* and so forth is not just their broad appeal (particularly with children), but also their range of cultural synergistic strategies (primarily merchandising). Alan Bryman's (2004) point that we do not see films such as *Schindler's List* or *The Hours* generating many opportunities to develop such strategies is again relevant here. Films aimed exclusively at adults often lack the tie-in opportunities that are associated with blockbuster properties. It is for reasons such as this that blockbusters are often based around the fantasy genre - because of its wider appeal.

However, this is not to say that films aimed strictly at adults fail. Some outgross many a franchise blockbuster and can be seen in such examples as: *The Sixth Sense* and *A Beautiful Mind*. However, as Thompson (2003 : 47) reminds us, such films are difficult to predict in terms of box-office potential. Often their success comes as a surprise, and when it does, it is often solely through box-office receipts. Additional revenue achieved from the 'downstream' businesses are usually not a factor.

A further advantage is that films that have a younger audience are more likely to generate repeat viewings. In the case of LoTR, this included young teenage girls wanting to see Orlando Bloom and Viggo Mortensen (Barker, 2005; Thompson, 2003). Furthermore, for those films that are adapted from popular books or comics (such as LoTR, and *Spiderman*) there already exists a built-in market with an established awareness of the brand. With the use of new information communication technologies (ICTs), audiences are also more creative than was previously possible. In this respect, fans provided a certain amount of free publicity for the films on their own websites and through their online discussions (see the last section of this chapter). Furthermore, New Line had the ability to take advantage of Time Warner's global reach by featuring the films as cover stories in a variety of its magazines, such as *Time*.

However, Thompson (2003) points out how LoTR also provided limitations to the franchise format. First, the novels end with definite closure. While the fact that several of the main characters leave Middle-earth permanently at the end of the *Return*

of the King, there is no way for the producers to take advantage of this through a range of texts that create the 'expanded universe' that is a dominant feature of *Star Wars* and Disney products. This is mainly because they do not hold the rights to provide stories of what happens to these characters after the narrative has ended. Tolkien's Estate protects all the rights that would enable this, and apart from adapting *The Hobbit* as a sort of prequel, there appears no way beyond the extended editions of the DVDs to lengthen the life of the franchise.

The second limitation that Thompson points out, is the expectations that arose from the devoted 'fan' base - many of whom were suspicious of what Hollywood might do with such a cult property. With such a broad appeal, Jackson would need to convince a sizable part of the potential audience that the authenticity of the books would be maintained.

While these were small in number compared with the large audiences that would be needed to turn LoTR into a franchise, they still held considerable power. Many of them were extremely vocal in their opinions, and with the addition of fan websites, producers were increasingly aware of the Internet's power to publicise films. With the potential corporate synergistic connections it has with AOL, New Line was able to incorporate the Internet into its cultural synergistic promotional strategies even more than Lucas was able to do with the *Star Wars* prequels. The last section of this chapter examines how Jackson involved consumers through the Internet to ensure the authenticity of the films.

Various prerelease strategies were devised well before the films had actually started production. News coverage of the production and release of the films started almost three years before the first film was shown in cinemas. The Internet was used extensively throughout to release small items of news over time, with occasional larger features. Given the ability to use AOL's connections, New Line was able to target millions of computer users in the US. By establishing a site for the film (www.lordoftherings.net) with additional coverage on its own site (www.newline.com), New Line not only ran the official website but also liaised with around forty fan sites (Davis, 2001 : 119-33) that provided links to the official site. Overall, New Line could reach a global audience of around 65 million (ibid.).

Another strategy that the Internet made possible was in the ability for digital publicity items to be given away with little expense. For example, the official site allowed people to download screensavers, wallpaper, interviews and also trailers (Harris, 2002 : 16-22). Such e-promotions that publicise the release of new films via the Internet brings strong positioning capabilities. When the trailer for the first film in

the franchise was released (*Fellowship of the Ring*), in April 2002 exclusively on the site, it set new records by being downloaded 1.7 million times in the first twenty-four hours and 6.6 million times in the first week. This beat the record set by *Star Wars Episode One: The Phantom Menace*, whose trailer was downloaded a million times in its first day ('New Line', 2000). While Lucas made producers aware of how powerful the Internet could be as a marketing tool, New Line developed its online cultural synergistic strategies further. With the synergistic potential that AOL could offer, New Line could reach a far larger audience than Lucasfilm. Since the success of LoTR online marketing New Line has developed the same pattern for trailers and other types of 'news' for its current releases (Miller *et al*, 2005).

Another example of how New Line took full advantage of its synergistic connections with Time Warner can be seen in the launch of the trailer for the second film in the trilogy (*The Two Towers*). This was made available for twenty-four hours exclusively on AOL before being placed on the New Line site. As Thompson (2003 : 54) points out, this was a

clear-cut case of synergy, since New Line is a subsidiary of Warner Bros., part of AOL Time-Warner. Several show-business and Tolkien-fan websites with access to AOL quickly posted the trailer themselves immediately, so non-AOL users had access to copies during most of that twenty-four hour period. These copies could take about an hour to download on a regular dial-up connection . . . [even so] they were getting something highly desirable ahead of its official date of availability.

Much like Lucasfilm, New Line carefully monitored the Internet for any infringement of its rights. However, unlike Lucasfilm, it soon realised that controlling rather than trying to stop such activity (such as illegally spying on production in New Zealand and putting photographs up on fan websites), would provide extra invaluable free publicity.

Many computer based fantasy games that were on sale prior to the New Line release of LoTR were influenced by Middle-earth. However, until New Line's version of the films no major software publisher had developed LoTR directly. Electronic Arts (EA) was the first game manufacture to create a game under license to New Line based on the *Two Towers* (economic and cultural synergy at the level of the industry). While this is another example of the 'licensing / subcontracting' model, it was produced in close collaboration with New Line. EA were given all the computer drawings done by Jackson's Weta company, and used them to base all their work on (Croal, 2002 :

43). Cultural synergistic campaigns advocated that this was not an interpretation of the film, it was the film. Such synergistic connections with the film continued in the ad link: 'Throughout your epic journey, enjoy exclusive actor interviews, scenes from the movie . . . and the original score' (Thompson, 2003 : 59).

Such an example of the way that computer games have based their 'narratives' and style on the characters, situations and settings of the original sources, sees film studios cooperating with software publishers. Such examples are not simply confined to LoTR, but can also be seen in the development of *Spiderman* and *Star Wars* computer games. Such examples further strengthen the continuing argument of this thesis that synergy as a process can operate at the level of the industry as well as the firm.

In addition to the usual cultural synergistic strategies that are devised to promote more conventional lines of merchandising, DVDs of the three LoTR films were released to enormous appeal. The success of the Academy Awards for the first and third installments of the films only further served to boost interest - another example of synergy working at the level of the industry. The 'extended' editions provide New Line with another opportunity to exploit the franchise and to generate extra revenue from an existing product.

DVDs also played into the cultural synergistic strategies that were devised by facilitating the 'interactive' process of making consumers aware of the various 'other' forms that the property could be found on. In the case of LoTR (and the *Star Wars* prequels) the DVDs contained prerelease trial versions of forthcoming computer games based on the relevant franchise, as well as examples of all the posters and associated advertising that were used to promote the films. In addition, the DVDs also contained exclusive DVD-ROM material that provided consumers with links to the official Internet sites. Such strategies clearly rely on the recycling of material, a distinct feature of cultural synergy.

However, this 'recycling' does not end here. As New Line had now created great interest in the fantasy genre, it required new properties that it could use to further exploit it - particularly as LoTR was too 'closed' to develop a successful 'expanded' universe. In this light, New Line announced that it had optioned Phillip Pullman's: 'His Dark Material' series. By basing another film on a successful [children's] fantasy book, New Line is hoping that the interest generated by LoTR will provide enough momentum to the genre in order to create another fantasy franchise. This example stands in addition to other studios who are also developing fantasy based franchises: including *Harry Potter* (at Warner Bros., another Time Warner Company), *The*

Chronicles of Narnia: The Lion, The Witch and the Wardrobe at Disney (produced by Walden Media in association with Disney; the first of seven films that will be made in New Zealand) and Jackson's own remake of *King Kong* for Universal. Interestingly, it would appear that with *The Chronicles of Narnia*, Disney appears to be acknowledging how it should have supported Miramax's decision over LoTR. By not only producing the films in New Zealand, Disney seems to not only want to make amends but also 'cash in' on the current interest in the fantasy genre.

If nothing else, this clearly further reinforces Adorno and Horkheimer's critique of 'pseudo-individuality', and Wasko's (1994) concern that the continued recycling of material through extensively exploiting cultural synergy at the level of the industry leads to a static culture. In addition, earlier arguments concerning neo-Fordism are once more raised.

Middle-earth Meets New Zealand

What sets LoTR apart from *Star Wars* in terms of its development of cultural synergistic strategies is not just the way in which the Internet played a more dynamic role, but also the relationship that existed between the film and the New Zealand tourist industry. Clearly, this is further evidence of the way synergy can not only operate at the level of the industry: but also *between* industries.

The New Zealand Government were quick to recognise the potential that the films would give to the country in terms of increasing the profile and awareness of New Zealand as a destination. LoTR has a distinct advantage over *Star Wars* in the sense that its locations are generally more 'real'. For *Star Wars*, most of the action takes place either in space, studio sets or in a computer generated scene. While this also is the case for LoTR, many areas that were used for filming outdoor scenes can be visited and enjoyed.

Tourism plays a central part in the New Zealand economy (Jones and Smith, 2005 : 936). In various ways it contributes almost 10% of New Zealand's GDP, while supporting one in ten jobs (Ministry of Tourism, 2003). Owing to the way in which cultural synergistic strategies generally keep recycling cultural properties and commodifying key aspects of the narrative in particular (see last chapter), repeat viewing is strongly encouraged. Apart from trying to persuade audiences to 'buy' into the franchise brand, it further serves to help reinforce the connections that exist between a film and its location as a tourist destination (Took and Baker, 1996). Such arguments further concretise the observation that synergy can also work at the level of the economy.

For LoTR, the development of cultural synergistic strategies by New Line has been extremely useful for Tourism New Zealand (TNZ) and the national tourist promotion board. In addition, further economic networks between New Line, the media and individual enterprises have been forged to exploit these potential cultural synergistic benefits further. As Jones and Smith (2005 : 936) add, 'the linkages are obvious from the outset of a visit to TNZ's website (Tourism New Zealand 2003a) which directs the visitor to *The Home of Middle Earth* website (Tourism New Zealand 2003 b) and into an interactive discovery of the "country" behind LoTR'.

Further examples of synergy working at the level of the industry can be seen in the role that the 2002 Academy Awards played. Following the ceremony, print campaigns in the USA advertised New Zealand as 'best supporting country in a motion picture'. Such strategies develop the notion that identifiable 'icons' within films attract viewers to a given location as visitors (Riley *et al*, 1998). These can be 'linked to the film's symbolic content, a single event, a favourite performer, a location's physical feature, or a storyline theme; icons, abstract or tangible, become the focal point for visitation and the associated location is tangible evidence of the icon' (p. 924). Clearly the use of wide panoramic shots in the *Fellowship of the Ring* of New Zealand (for example), provides iconic status to the New Zealand landscape while additionally reinforcing the connection that exists between the fictional Middle-earth and New Zealand. By exploiting these connections through cultural synergistic strategies that exist between various industries, not only is New Zealand promoted as 'the' tourist destination for fans of LoTR, but it also adds to the legitimacy of the films as being an authentic New Zealand project (Jones and Smith, 2005).

Middle-earth is invented, and the landscapes of New Zealand merely serve to 'stand-in' for Tolkien's imagined world. Having said that, parallels have already been made in this chapter between the imagery of the novels and the English countryside. Such connections are not hard to make, seeing as Tolkien was using LoTR for his 'myth for England', and are further supported by Varlow (1996). TNZ capitalised on these connections within their promotional campaigns by using contributions from creative icons involved in the films (notable Jackson) to strengthen the claims that New Zealand's landscape was authentic to Tolkien's vision. In turn, New Line's promotional strategies for the films developed this cultural synergistic link. In the video *Quest for the Ring*, Jackson claims that New Zealand offers a dramatic landscape that is itself steeped in mythology (Jones and Smith, 2005). Further strategies to establish New Zealand as the authentic location of Middle-earth came from endorsements by key actors, which were then used by TNZ and other forms of global media. Influential

magazines such as *National Geographic* who featured articles on New Zealand and Middle-earth only served to further legitimise the connection between the two.

However, owing to the fact that even some of the landscape shots were enhanced and manipulated by Weta through computer special effects technology, coupled with an agreement that all 150 locations were returned to their original state, there exists a problem for TNZ in 'how precisely can film audiences identify the location of particular scenery? (NZIER, 2002 : 30). In this respect, as Smith and Jones (2005 : 938) point out, there is 'a potential tension presenting New Zealand as an authentic Middle-earth, as seen in the films, and a lack of tangible evidence to support this at location'.

Tourism companies within New Zealand have quickly developed various other marketing strategies in response to the opportunities created by the films. Here, a range of themed packages and attractions based around LoTR have been devised. Such strategies further feed into the official promotional rhetoric of New Line that visitors to New Zealand will receive a 'genuine', 'real' and 'authentic' experience of LoTR (Timothy and Boyd, 2003). Such 'experiences' are further strengthened by tour operators through the 'status of their guides as "fans", whose claims to authenticity are further enhanced by their personal involvement in the filming process, as extras or as suppliers, for example transporting the cases and daily rushes' (Smith and Jones, 2005 : 939; and for further examples Javins, 2003).

New Line, in their official promotional strategies of the films, showed members of the casts and crew enjoying various parts of New Zealand. While this strengthened the idea that New Zealand was 'fun' and 'enjoyable', Air New Zealand themed two of its airplanes for LoTR as the centerpiece of its global promotional campaign. While this took the connection between the films and New Zealand around the world, it was also used to promote Air New Zealand as the company that could take you to 'Middle-earth'. Such examples are once again an excellent way to see the process of synergy working both at the level of the industry; and also between industries - in the same ways as corporate sponsorship and licensing agreements operate (Wasko *et al*, 1993) from downstream businesses.

Reception

The Quest for Authenticity

While criticisms of Jackson's adaptations do exist (Chance, 2002), the majority of reviews and commentaries that surround the franchise were highly complimentary. Many highlight Jackson's ability to present the complexity of Tolkien's Middle-earth,

while at the same time being able to streamline Tolkien's epic narrative. In addition, he was also able to incorporate intertextual conventions that existed within other modern genres that had previously generated successful interest. Most obviously this can be seen in the widespread use of martial-arts choreography from Japanese and Chinese films (Thompson, 2003 : 49). As well as expanding the violent action through the use of popular action stunts of the time, the 'dialogue and staging in many non-action scenes change[d] the book's action so as to heighten suspense and dread in the manner of horror and thriller films' (p. 53). Arguably, the way in which the films introduce and expand on the action scenes contained in the books exists for two reasons. First, to maintain interest; and second, because they provide material that can be drawn on for the computer games - an intrinsic part of New Line's cultural synergistic strategies (see previous section).

Basing a series of films on an already established property may provide a 'ready-made' audience, but often the more enthusiastic members of the audience are so devoted to the original property that they become extremely vocal should they consider the adaptations to be inferior. As the advent of the Internet has increasingly democratised production, parts of the audience can now interact far more easily. Should their opinions be damaging, these can become taken-up within the rhetoric of commentaries that surround the films, thus affecting other peoples' reaction. If enough negative press is generated then this will undoubtedly affect the overall audience attendance.

Jackson's aim was to make the adaptations as authentic as possible. To ensure that these corresponded with what audiences wanted to see, their opinions throughout all stages of production were actively sought by Jackson and New Line (Shefrin, 2004). In contrast to this, Lucas constantly ignored the comments of *Star Wars* audiences throughout the production of the prequels, and has suffered as a result by producing films that people generally felt did not convey the true 'sense' of the franchise (Brooker, 2002). Jackson would overcome this through an innovative use of the Internet to communicate with Tolkien addicts.

Shefrin (2004) illustrates how Jackson approached media critic, Harry Knowles, to conduct an online interview that would be based on questions that people submitted to Knowles' website: Aint-it-Cool-News.com. After receiving over 14,000 submissions, Knowles was able to compile a list of 20 questions that was presented to Jackson. These early questions encompassed detailed aspects that were also concerning Jackson at the time. Via the website, Jackson answered questions and listened to the concerns that centered on (Shefrin, 2004 : 266):

[T]he inadequacies of the fantasy film genre as a whole, the difficulty in the cinematic portrayal of Tolkien's intellectual vision, historical authority and linguistic talents, the proposed departures of the filmic narrative from the literary texts, the literary depth and dramatic tensions of the filmic texts, the extent to which the films would include Tolkien's songs, poetry and lyrical style, the realistic scope of the battle scenes and the actual titles of the cinematic installments.

Several months after the initial interview, Jackson conducted a second Internet based discussion with online fans. During this time he reiterated how the writing team was 'in the process of rethinking the structure and narrative, and making some quite substantial changes to what we [the filmmakers] had done before . . . so please understand that while I will give you accurate information based on what I know today, things will continue to change and develop over the next few months' (Knowles, 1999). By then answering the second set of 20 questions, Jackson elaborated on,

the mechanics of screenwriting, including the use of flashbacks and non-linear storytelling, the difficulties inherent in multidimensional character portrayals, the intercutting between the various storylines and the sequencing of certain episodes, the reference to Tolkien's *Silmarillion* (1977/1985) as background for the scriptwriting, the intended pace of the action and the extent of narrative emphasis on thematic meanings, as well as plans for a prequel film adapted from *The Hobbit* (1937/1986).

(Shefrin, 2004 : 266).

Such discussions allowed Jackson to present his current ideas to the loyal audience base and then determine how well they were received. If parts of the potential audience were critical of a particular area, then Jackson would rethink that section to make it more pleasing. Such a synergistic strategy clearly ensures that fans were given a version that they would be happy with. Jackson's innovative use of such an approach is obviously an attempt to co-opt the overall impact of fan opinion.

By using such a novel strategy as this Jackson clearly raises further questions of authorship. As the previous chapter argued, creativity rarely takes place in a vacuum. Conventional approaches to authorship generally ignore the social dimensions of the process, concentrating instead of reducing everything to one person - the director. Clearly, while the last chapter showed the process of 'auteur' can be broken into two components, this section has further strengthened the 'collaborative'

approach to creativity that commentators such as Pickering and Negus (2004) feel is lacking from many contemporary studies. The accepted view of authorship being a solitary process that is performed in an environment that is totally isolated from the intended audience must change. The use of 'audience testing' on a sample of the target audience when a film has reached its pre-release stage began to increase the ability for parts of the audience to become more involved in the production process. By using the Internet as a social communication tool while the script is being written, Jackson has allowed the audience to become more active at 'all' stages within production. He becomes a filter, a 'final arbiter for a lot of good ideas from a group of people' (Bauer, 2002 : 8). He 'draws inspiration from the fans' thoughtful perspectives and studied observations on the proposed cinematic adaptations while he simultaneously increases his credibility with the future audience of the films' (Shefrin, 2004 : 268). In contrast, Lucas can be seen as an inhibitor of such a process (see previous chapter).

The effectiveness of Jackson's ability to adapt Tolkien's books in a manner that made audiences feel that they were 'authentic' has been supported both by the enormous success of the franchise and through academic studies (Barker, 2005; Smith and Jones, 2005). Martin Barker's (2004) research into the launch and reception of the third film in the series also provides further supporting evidence. Barker's study closely follows that of Wasko's 'Global Disney Audience Project' (Wasko, *et al*, 2001), by coordinating an international project that involved academics in 20 countries. However, Barker's study overcomes some of the limitations in Wasko's approach, such as a more representative sampling framework.

However, at the time of writing, Barker and his colleagues were still in the analytical phase of the project. In light of this, there currently exists very little information as to how their research relates to the way New Line developed their cultural synergistic strategies and how audiences responded to them. While these issues may be discussed in a forthcoming book on the project, this is not due for publication until 2007 - too late for inclusion here.

Having said that, early findings would appear to indicate that audiences did not feel manipulated in terms of the cultural synergistic strategies that were used. While Barker is still to work through these areas in greater detail, it is also felt that audiences overwhelmingly accepted Jackson's version as authentic (Barker, 2005). Audiences accepted that there were constraints and limitations imposed on the filmmakers (owing to the very nature of film production and the adaptation process), and that the films

were being made for more than just the fans. Basically though: New Line is forgiven and Jackson is praised.

This is not to say that parts of the audience were not vocal about certain aspects of the adaptation that they did not entirely agree with (i.e. the removal of Tom Bombadil's scenes and 'The Scouring of the Shire' at the end of the final film). However, as previously mentioned, the evidence for this is largely contained in the interview transcripts that formed the primary means of data collection; and these are still being worked on by Barker and his colleagues. However, Jackson's success in using the Internet to involve parts of the potential audience in all the stages of the production is certainly reinforced by Barker's early findings. By determining exactly what people were looking for in any adaptation of LoTR and incorporating these demands into the films, Jackson effectively made the audience authenticate the films before they were released. Barker's preliminary findings that audiences felt that the adaptations were generally in-line with their expectations is evidence of how the Internet can facilitate producer-consumer relations within the field of cultural production.

Participatory fandom also holds further benefits in the development of cultural synergistic strategies more generally. Jenkins (2003) argues how the use of commercial promotions can be facilitated through the encouragement of more 'active' forms of fandom. 'This new "franchise" system [as seen in the *Star Wars* prequels, LoTR, *Harry Potter* etc.] actively encourages viewers to pursue their interests in media content across various transmission channels, to be alert to the potential for new media experiences offered by these various tie-ins' (p. 284). By definition, this is exactly what cultural synergy is: *the effective exploitation of an intellectual [textual] property*. By actively encouraging fans to explore all the various ways their favourite property has been 'exploited', then media companies also ensure that any cultural synergistic strategy stands a greater chance of success. This will then ensure that any proposed addition to the franchise stands a good chance of commercial success (Shefrin, 2004 : 273).

However, this also has a disadvantage. Active fans are usually more likely to appropriate corporate generated imagery, and then embellish or transform it with personal artistic expression that can take many different forms (songs, paintings, digital films etc.). Such acts of consumption are markedly different to the majority of media and cultural consumers who are more than happy to simply watch the film, listen to the soundtrack or play the computer game and so forth.

Such active appropriation of cultural properties leads to a problem that was raised in the last chapter. While it is good for producers on the one hand, on the other it raises further questions of copyright and the infringement of intellectual property. This battle over the nature and ownership of cultural texts often results in an ongoing *renegotiation in the relationship between media producers and more active members of a property's fan base*. Such problems are of interest to commentators such as Rosemary Coombes (1998), who argues how media producers will actively seek online endorsements from fans; while at other times attacking them as illegal pirates (see last chapter). Interestingly though, New Line's online marketing strategies seem to revolve around the cultivation of open access for all to both the official, and *unofficial*, sites through the use of a 'further links' page. Lucas meanwhile, uses the official *Star Wars* site as a means of targeting a certain type of fan by only allowing open access to a very limited part of its official site. Full access is only possible through a subscription fee. Thus, the 'dedicated' fan has to pay more to enjoy the benefits of the franchise.

Such issues are relevant to the continuing argument of the Internet's impact on democratic practices. These are consistent with Barber's (1997) concerns over a form of 'concealed totalitarianism'. He warns that 'talk of diversity will come quickly to mask "a new form of totalitarianism all the more dangerous because it boasts of choice and is sold in the language of freedom"' (p.216, quoted in Shefrin, 2004 : 278). Such arguments are rooted within Marx's theory of production and consumption, which Gripsrud (2002 : 289, emphasis original) applies to media culture:

The general point is, then, that *the audience can never choose something it has not been offered, and any specific programme or product offered is always one of several "imaginable" answers to a more general demand*. It is always producer or sender that decide what is offered, and how these offers are shaped; and these decisions are always made with a view to other factors than the demand of the audience - not least the desire for maximum profits.

This has significant connections with the argument proposed in this chapter, that neo-Fordism is perhaps a better term to describe contemporary production/ consumption processes. All that exists for consumers is the mere illusion of choice and abundance. 'Consumers may believe that they are operating with free choice when, in fact, they are generally unable to change any of the cultural products being offered - their only [real] choices are acceptance or rejection' (Shefrin, 2004 : 278).

Clearly cultural synergistic strategies have created far more products within the marketplace, but the flip side to using cultural synergy is that most of the products are

all basically the same. As Jim McGuigan (2004: 122) succinctly argues: 'you can choose from a vast range of models, colours, stylistic variations and add-ons for the Ford Focus, but it is still a Ford Focus'. The same clearly applies to the range of material that accompanies blockbuster franchises such as LoTR: you can choose from a range of toys, books, clothes and associated material, but at its heart it is still all LoTR.

Media production today, perhaps more than any other time, has become nothing more than a structurally determined 'system of domination' (Marcuse, 1989 : 240). While Adorno and Horkheimer are regularly dismissed as being pessimistic elitists, there is still some relevance in their observations (Steinert, 2003 [1998]). Based on the arguments contained in this chapter, it would appear that audience consumption still operates as a form of 'mass deception'. However, caution should be taken before embracing their arguments completely. While neo-Fordism appears to be a more correct way of discussing production and consumption systems, consumer sovereignty is still possible; even within tightly controlled system as this.

Such a pessimistic viewpoint does not allow for the 'potential forces of individual social agency and political awareness' (Shefrin, 2004 : 278). Furthermore, it oversimplifies the 'complexities of the competing strategies involved in the politics of media entertainment culture' (ibid.). The Internet can be seen as one of the 'competing strategies' that Shefrin feels cultural producers will attempt to incorporate into their business strategies to maximise their profits. However, the success of these online cultural synergistic strategies will be determined by a 'complicated, changeable interplay with other cultural producers and an array of consecrating agents, including online fans promoting consumer activism and/or furthering communitarian ideals' (ibid.). Such arguments illustrate that while consumer choice is indeed reduced through the extensive deployment of cultural synergistic strategies, the producer-consumer relationship is not completely weighted towards the media institutions of production. Opportunities for consumer sovereignty, while minimal (or controlled), do still exist.

Conclusion

This chapter has used LoTR to further highlight the generalities of the synergistic process that have been previously discussed during the proceeding chapters. However, as a matter of interest, the arguments and observations contained in this chapter could have easily been applied to any of the current list of blockbuster properties. These include: *Narnia*, *Harry Potter*, and Jackson's latest film *King Kong*.

While *Kong* is made by Universal rather than New Line, it is worth noting how the production and cultural synergistic strategies described in relation to LoTR remain the same. Furthermore, remote collaboration techniques have been used even more extensively than during production of LoTR (Jackson, 2005). This concretises the growing importance that new technologies have in the production strategies of Hollywood in the 21st Century. This strengthens the arguments of how Hollywood is incorporating new developments in organisational management and production strategies. Such strategies can be seen as being increasingly neo-Fordist in their design (see later).

The analysis contained in this chapter serves as a means of strengthening the arguments and observations already made in previous chapters. By providing another example of how synergy in its two principal forms are organised and employed, such an approach further situates the process of synergy more securely within the broader field of corporate action and business strategies.

The chapter discussed how the production of LoTR was instrumental in bringing New Zealand to the attention of Hollywood as a prime site for cheap labour. While the creation of economic synergistic networks within New Zealand during production clearly utilised the characteristics of the NICL, the chapter outlined two key tensions that arose as a result.

While the economic benefits to the New Zealand economy from Hollywood production is considerable, workers within the local film industry are concerned over the ability of Hollywood to dominate, and thus eradicate any possibility for a New Zealand film industry that is based on local stories and/or profits. Such domination from Hollywood is a salient concern of other countries that are exploited through the NICL. Such fears have been discussed in previous chapters and are an effect of establishing global economic synergistic networks.

Clearly, Peter Jackson's ability to lobby the New Zealand government to support new film projects through a range of subsidies is the clearest way in which we can account for his role as 'external' auteur. Such subsidies not only make it possible for local projects to be made (via the New Zealand Film Commission), but some are also designed to make it attractive for Hollywood productions to come to New Zealand. While such subsidies are another inherent characteristic of the NICL, they also continue to fuel the trend of runaway production that has been a considerable factor within the American film industry. These then, continue to play into Hollywood's ability to globalise world markets in both production and distribution spheres.

Jackson's role as an 'internal' auteur was outlined in the way that he made the film adaptations of Tolkien's books appear 'natural' and 'authentic'. Apart from actively courting fans online to establish what they thought an authentic adaptation should contain, Jackson was also able to showcase New Zealand both as a talent base and location site. As a result of this, LoTR was quickly appropriated as being 'emblematic of the creativity and entrepreneurship of New Zealand' (Jones and Smith, 2005 : 941). The ability for the government to forge 'internal' synergistic links between the films and the country were quickly capitalised upon through a range of tourist promotional campaigns. Such strategies became a central part of the cultural synergistic promotions that were devised. These show how synergy not only works at the level of the industry as well as the firm; but also *between* industries. The chapter also discussed how economic synergistic networks are forged and played out within the local New Zealand film industry.

It was also argued how the production of LoTR could be seen as being 'neo-Fordist'. In fact, it was suggested that neo-Fordism may be a better way of explaining how New Hollywood works, as production is still largely based on Fordist principles. However, these have been slightly modified by the addition of more flexible production, distribution and marketing systems that have been developed through economic synergistic strategies.

Through the example of 'remote collaboration', whereby workers are joined together through virtual networks, the use of new technologies within the production process was used to show how Hollywood production has become more efficient, routinised, deskilled and flexible. Such an approach draws heavily on established ideas linked with Taylorism and Fordism. The use of new technologies throughout all stages of production almost reestablished the assembly-line approach to making films. Apart from dramatically speeding up production (i.e. *War of the Worlds*, 2005), such new strategies still allow for the specialisation of labour to emerge, while less demanding roles can still be filled by [relatively] unskilled workers.

The difference between the Fordism of the early era of film production and today, is that flexible specialisation is still being incorporated into production strategies. Such flexibility is provided by establishing economic synergistic networks, largely via the NICL, that offer geographically dispersed divisions of [cheap] labour. What this achieves is a means of allowing studios to respond quickly to market changes by offering properties that are produced quickly, efficiently and [relatively] cheaply. New technologies have further eliminated much of the repetition of deskilled jobs by offering

a mechanised way of streamlining many of the stages of film production. These in turn make the overall system much more efficient (such as with digital filming).

What such arguments propose, is that new developments in organisational management and production are not replacing traditional forms, as many commentators would seem to think (Faulk and DeSanctis, 1995; Zenger and Hesterly, 1997). Rather, new organisational practices, such as the flexible neo-Fordist strategy outlined in this chapter, appear to co-exist with, and become incorporated into, remolded traditional practices (Himler and Donaldson, 1996; Palmer and Dunford, 1997). In essence, what this means is that as new technologies are increasingly taken-up within the production of Hollywood films, organisations are increasingly able to be seen to use a 'hybrid' structure (Holland and Lockett, 1997). Such an phenomenon would see organisations as being 'composed of combinations of traditional (hierarchical) and new (market-based) practices' (Palmer *et al*, 2001 : 207).

However, the increasing use of neo-Fordist based strategies has led to a state of intensive exploitation of the consumer. Bouts of increased marketisation have witnessed shifting power relations between public intervention and commercial enterprise. The market promises consumer sovereignty, advocating that the consumer is king. Advertising rhetoric would seem to indicate that supply is responsive to consumer wants, demands and preferences. In reality however, supply is largely determined by corporate needs. Demand then, is 'constructed' by promotion and advertising; in other words, a range of cultural synergistic strategies. In reality, these cultural synergistic strategies vastly exaggerate the actual power that consumers really have. In addition, such approaches also exaggerate the extent to which new cultural properties are actually new and original (see below). Such tensions lie at the heart of Adorno and Horkheimer's claim of 'pseudo individuality'. What this concept identified was the endless contradictions that existed between the promotional rhetoric of advertisements and the real situation that existed within the marketplace.

While such arguments illustrate that consumer choice is indeed being reduced through the extensive incorporation of cultural synergistic strategies, the producer-consumer relationship is not completely weighted towards the media institutions of production. Opportunities for consumer sovereignty, while minimal (or controlled), do still exist. The chapter raised several areas, such as the Internet, where consumer sovereignty may still be able to be played out.

Finally, the creation of nostalgia through the appropriation of myth and intertextuality was also discussed. The chapter showed how LoTR and *Star Wars* largely conform to the same narrative structures and patterns. In this respect, it was

proposed that *Star Wars* could be seen more as LoTR in space. Such lack of originality provided further weight to the argument that many of Hollywood's properties are distinctly unoriginal, even though they are continually marketed through a range of cultural synergistic strategies as being so.

Such continued interest in the appropriation and marketing of mythological narratives fuels the observations made in the previous chapter to the extent in which myth has become increasingly commodified in pursuit of corporate profits. This lack of originality was further strengthened when it was argued how many forthcoming blockbusters are all based on the same genre and narrative structures (*Chronicles of Narnia*, *Harry Potter*, *Star Wars*), or simply remakes (*King Kong*).

Generalisations

CHAPTER FIVE

The Development of Hollywood Synergy

Introduction

This thesis has shown that cultural industries, such as Hollywood, are faced with the problem that their commodities are not used up during consumption. It is for this reason that marketing strategies devised by the cultural industries stress the novelty of what is being promoted. The rhetoric of such strategies aims to persuade audiences that they must see the latest cinematic release while purchasing the associated merchandise and spin-off products.

The significant levels of uncertainty that exist over the demand, and ultimate success, of cultural properties means that it is almost impossible to 'plan ahead' when devising strategies to maximise revenues from a new release. Due to the capricious nature of popular taste, most cultural products will fail in the marketplace. As the previous chapters have shown, it is because of this that producers have to ensure that they exploit every possible money making strategy to extract as much revenue as possible from any given release. Such strategies help to cushion the inevitable failures that occur: hits have to pay for the misses (McGuigan, 1996).

For this reason, the Hollywood majors today are not simply in the film and television business. Instead, to enhance profitability and reduce risk, studios devise a range of business strategies to develop properties that can be turned into products. The major film studios are now more interested 'in the business of synergistic brand extension' (Allen, 1999 : 121).

As a result of the in-depth analysis of the previous case studies, this chapter provides an overview to the complex process of synergy within Hollywood. In addition, it offers a conceptualisation of its operations through a typology, which is then discussed in relation to the analytical arguments that have been proposed and developed during the previous chapters.

The Value of Synergy

Today's crowded cultural marketplace sees many products competing for a finite amount of consumer time. Attracting, and ultimately holding, the attention of the consumer in this faster growing cycle of production is an extremely expensive process. For many commentators, such as Michael J. Wolf (1999), this has also accelerated the trend towards media consolidation. In order to ensure that any given cultural property produced today has more than a fair chance of being a success, entertainment companies spread their risks and increase their channels of distribution. Strategies such as these highlight how it is 'cultural distribution, not cultural production, that is the key locus of power and profit' (Garnham, 1990 : 162).

It is through the proliferation of new distribution channels and outlets that the control of cultural products (and copyright) has become the most profitable part of the commodity circuit (Harbord, 2002 : 99). Garnham's point, cited above, is central to the way cultural producers manage the life of a property 'outside' the cinema. It is the ability to transform properties into products by devising a range of associated merchandise, and then exploiting it through various synergistic strategies, that film studios can control cultural flows and maximise profit.

Such an example can be seen in the Disney company, perhaps the paradigm case for synergy within the entertainment industry. During the 1930s Disney pioneered many of the basic synergistic strategies that underpin the way the industry works today. It was the vigorous exploitation and updating of these strategies through the late 1980s by Michael Eisner, and his 'Team Disney' management, that revived the company through a range of strategies that successfully relaunched its animation franchise. By broadening its range of products through a series of acquisitions and mergers, the company was then able to exploit more fully its under-used ancillary markets.

The multiple logics of synergy are related to the mergers that took place in the mid to late 1990s, giving us the large media conglomerates of today: such as Disney, Time Warner and News International. However, as Wolf (1999) points out, without access to multiple revenue streams there is no real profit within the entertainment economy. For Hollywood, revenues obtained from ancillary markets are worth much more than those from the box-office (Maltby, 2003).

The security of these large media companies lies in their ability to transform properties into what is increasingly seen as a 'megabrand'. It is these types of properties that are able to develop the necessary 'brand extensions' that are required for exploiting synergistic strategies. The initial properties that can be used to develop a megabrand can originate from a variety of media forms. Recent examples include: the British computer game *Lara Croft: Tomb Raider*, American comic books, *Judge Dread*, *The Incredible Hulk*, *Spiderman*, *Batman*, *Superman*; British novels, *Harry Potter* and *Lord of the Rings*; and American television series, *Star Trek*, *The Dukes of Hazzard*, *Starsky and Hutch*, *Miami Vice*. Even theme park rides can be used to launch a megabrand, such as with Disney's *Pirates of the Caribbean*.

The desire to 'create' such a franchise through cross-promotional activities (i.e. merchandising, foreign and domestic television syndication, theme parks, websites and so forth) provides the rationale for the logic of mergers. The wholly integrated media company maximises the possibilities for synergistic brand extension and for

retaining the profits made from downstream commercial activities within the conglomerate. This becomes possible as the companies involved in 'downstream activities' are either owned by the coordinating corporation or operate for it under license if making spin-off merchandise. Another example of such networking with firms 'outside' the coordinating corporation is through outsourcing production to independent companies in order to share the economic risk in producing cultural products. Such examples have been extensively discussed in previous chapters.

Today, the major studios tend to regard each 'high concept' blockbuster as an 'anchor' product (Maltby 2003 : 210) on which to base a range of associated products in order to maximise revenues. These products take the form of merchandise that can either be linked directly to the original property or to a number of associated products that are connected to it. This type of strategy is best illustrated in the array of *Star Wars* novels and computer games that provide an 'expanded universe' to the narratives contained in the original films. Eileen Meehan (2004) sees the extending of a core brand into a range of associated merchandise and apparel as 'redeployment'. Developing the themes and images encapsulated in the original property to produce new products in this way, creates something that is the same as the original but also different from it. The process of redeployment generates a fresh, linked, brand without the risk of producing a product that is completely new and untested.

It is because of the way synergistic strategies connect different products to the original property (and the companies who make them), that if a film fails to launch a franchise then its extensions (i.e. merchandising etc.) are likely to fail too. In this respect, synergy can increase risk. A frequently used illustration of this has been Sony's 1998 release of *Godzilla*. While being far from unsuccessful in terms of box-office receipts, the film failed to launch the franchise that Sony / Columbia needed in order to create a brand identity that they could later exploit through a range of synergistic strategies. Other studios, such as Warner Bros. and Universal, had already managed this with properties such as *Batman* (1989) and *Jurassic Park* (1993). *Godzilla*'s failure to replicate this level of success resulted in Sony having to cutback its production of high-budget blockbuster properties. Additionally, other companies who had participated in marketing and merchandising the film also experienced financial difficulties as the associated products failed to sell.

For Hollywood today, the creation of what has come to be termed the 'megabrand' appears to be taken as justification for establishing flexible networks of production and distribution. Such a strategy thus integrates the whole cultural circuit and media business. By actively seeking and implementing such strategies, the

instabilities and unpredictable nature of cultural production can be offset against the generally more secure process of a distribution system that can generate profits through a multiple exploitation of the property (Maltby, 2003 : 211). Clearly, such an approach reduces the risks involved in developing new content.

Conceptualising Synergy

This thesis has drawn upon the work of Janet Wasko (1994) as a starting point to try and provide a conceptualisation of how the complex process of synergy operates. In her book, *Hollywood in the Information Age*, Wasko argues that the process of synergy can be considered to have two main parts: economic and cultural. However, the central argument in this thesis departs in one significant respect from Wasko's original analysis, and that is in the extended development of synergistic strategies. Throughout the previous case studies it has been consistently argued how the process of synergy has evolved from an *intensive* to a more *extensive* mode of exploitation.

At its most basic level, Wasko's economic synergy means the integration and coordination of various functions *within* a company. Such a definition concretises the idea that synergy is a process that operates at the level of the firm. However, within the organisational dynamics of how Hollywood operates today, compared with its more historical forms of Fordist production, there clearly exists a coordination of various functions and strategies *outside* the coordinating firm.

The construction of these flexible networks spreads both the economic risk inherent in producing cultural properties across other companies, as well as sharing talent, marketing and the costs of research and development. It is through considering the multiple logics that exist within Hollywood business that the process of synergy can be argued to work at the level of the *industry* and not just at the level of the firm.

Wasko's point concerning 'cultural' synergy describes the process as the multiple exploitation of an intellectual (textual) property to enhance profitability. While Wasko accounts for the various ways in which this can be achieved, most of these (such as theme parks, television and so forth) can be argued to operate at the level of the firm once again. Chapter One outlined how Wasko talks of cultural synergy as 'overlapping cultural images and ideas'. Such a definition seems to indicate that cultural synergy is not confined to the property itself. This argument would appear symmetrical with the earlier point that there is a level of economic synergy that exists beyond the discrete corporation.

While Wasko does not develop this idea in her definition of cultural synergy, such a proposal would seem to suggest that there may also be a level of cultural synergy that operates beyond the property (at the level of the industry). This moves the concept into issues of diffuse intertextuality. Such an extended notion of cultural synergy is consistent with the previous case studies. These showed, for example, how extensive forms of cultural synergy operate through the appropriation of myth structures, diverse marketing strategies (such as tourism) and the recreation of nostalgia through retro-branding.

Providing a broader and more complex analysis of how synergy works is central to this thesis. It is, therefore, desirable to offer a clear conceptualisation of this through means of a typology. This seeks to concretise and clarify the broader and more complex theorisation of synergy that has been made through the analysis and discussion of the case studies.

Table 5.1 - Typology of Synergy

Property (Commodity / Text)	Synergy	
	Economic	Cultural
	FIRM	INTENSIVE
	INDUSTRY	EXTENSIVE

The typology in Table 5.1 identifies two axes on which the arguments and definitions contained in this thesis can be summarised. The process of synergy uses Wasko's original definition as comprising two separate, but nonetheless, interconnecting parts: 'economic' and 'cultural'. Set against this is the intellectual property that is to be produced and marketed which proposes that the property is both a commodity and a text.

The reason for this is twofold. First, intellectual properties that are produced in the market for consumption are commodities. However, as cultural products these commodities also have 'textual' meaning or 'signification'. By interrelating them in this manner, the suggestion is made that the study of production also has an effect on the study of texts. As this thesis has demonstrated, the type of production and marketing strategy used clearly affects the consumption and interpretation of textual properties. According to Hesmondhalgh (2002 : 11), these in turn affect the 'diversity, quality and the extent to which . . . [they] serve the interests of cultural-industry businesses and their political allies'

Such a process is central to conducting a multidimensional analysis (see Chapter One). While many other examinations of Hollywood have either privileged questions of ideology and representation or political economic approaches to the industry, rarely have they provided an examination that accounts for *both*; showing how the one interrelates with the other. This thesis attempts to move away from being either economically or culturally reductionist by arguing that production can affect both consumption and meaning. In other words, that determination may go both or either way in specific cases - a point that is consistent with the cultural circuit mode of analysis outlined and discussed further in Chapter One.

Such examples of marketing playing back into production can be seen through market research and audience testing. Here, the idea is to determine what is currently fashionable in an attempt to reduce the uncertainty of demand. Market research is most often defended on the grounds that it tries to discover something new and potentially exploitable about the audiences' diversity, identifications and general expectations. However, it is also much more than this. It allows studios to categorise people into predetermined marketplace identities coupled with their preferences towards certain kinds of films and what types of goods and services they buy. Market research is, of course, not an exact science and the best that marketers can do for studios is to link film elements to probable consumption habits based on certain conditions (Miller *et al*, 2005).

The significant problem with such an approach is that the attention market research pays to test audiences' feelings, desires, memory, tastes and other behavioral features creates a spurious relationship when generalised onto the experience and expectations of the wider film watching population. Litman and Ahn (1998) have criticised the approach of linking economic concepts to aesthetic and marketing techniques, because they create questionable presumptions about audiences. For them, the allure of a film cannot be measured. A film's success is derived from the number of people who pay to watch it in the cinema, not the 'perceived' quality that has been obtained as a statistical projection of audience taste from a small sample of people.

Still, the appeal that marketing has to studios lies in its ability to offer some type of security that what is being made does actually have an audience. Arguably this is better than producing a film on a hunch that it will find appeal, only for it to fail at huge cost to the studio. Chapter Four illustrated how Peter Jackson involved the potential audience for the films in creating the content they expected to see. In this way, the audience was authenticating the films before they had even been released. Such an

approach creates a type of 'built-in success', because if the loyal fan base is happy with what they see, it is more likely that this important section of the audience will recommend that other people see it also. Such word of mouth acceptance then quickly becomes part of the advertising and review rhetoric that surrounds the film, propelling it towards general acceptance and success. It is for reasons such as this, that the role of marketing is often privileged over production.

When crosshatched, the four cells within the typology produce four general forms for how the synergistic process operates. Clearly, the need to produce such a typology as this lies in the desire to create a general framework for both exploring and understanding the highly complex way in which synergy operates.

The typology shows that economic synergy operating at the level of the coordinating firm (or corporation), acts *intensively* on the exploitative marketing of commodities when devising cultural synergistic strategies. These can include: spin-offs (television, music), theme parks and so forth. On the other hand, economic synergy operating at the level of the industry acts *extensively* on the commodity text. Such strategies contain a range of different firms and businesses 'downstream' producing further examples of merchandising (toys, computer games etc.) under license from the coordinating firm and through product placement. In addition, it also creates extensive meaning through forms of diffuse intertextuality whereby different texts may be combined (or at least their themes and styles) to create something (apparently) new and original. While this latter example sustains constant forms of recycling that Wasko (1994) fears may lead to an unoriginal culture, it does help sustain the interests of Hollywood as a whole, and perpetuate extensive nature of the American film industry. It is through such a process that when issues of film are discussed, people generally think of Hollywood rather than other countries such as France or even Britain.

The conceptualisation of the synergistic process will now be illustrated in more detail by considering the main arguments and observations that have been made in relation to the previous case studies.

Economic Synergy

At the Level of the Firm and the Industry

Understanding the concept of synergy is not as straightforward as it may seem. The term is often used freely within discussions of cultural production and business media without examining in sufficient detail how the process actually operates (for example: Branston and Stafford, 2003; Croteau and Hoynes, 2001; Olson, 1999; Wolf,

1999). Such discussions, as already argued, are mostly to be found in introductory film and media texts for students.

As previously outlined, economic synergy from Wasko's perspective takes place at the level of the firm through the coordination and integration of functions/departments *within* a corporation. However, this thesis has already proposed that it also operates at the level of the industry in an 'extended' form. Arguably, this can take place in two ways. First, through the formation of networks and partnerships with companies *outside* the coordinating corporation to achieve diversification of production for the purposes of cost-cutting and enhanced profitability. This form of economic synergy at the level of the industry witnesses a new form of organisation that is suitably adapted to the flexible production system of post-Fordism (see later). Companies that come together to form production networks for the duration of a film project are operating under the control of a coordinating corporation that remains at the centre of the production network.

Interestingly, it could be argued that this is still a form of synergy operating at the level of the firm. However, post-Fordism is not about ownership, but rather a flexible approach to production and circulation by sharing risk with other companies. Economic synergy at the level of the firm is, to return to Wasko's definition, the integration of functions *within* a corporation. Clearly, what is important in distinguishing between economic synergy at the level of the firm or the industry in this respect is the way that production is shared and circulated along a network of different companies that represent the totality of the American film industry as a whole. Furthermore, in the creation of cultural synergistic strategies (see later), some of these companies may even be from different industries altogether. These companies may be coordinated by the controlling corporation, but they are *not* owned by them. This form of production replaces the vertical integration and coordination of departments *within* the same corporation that comprises Wasko's definition of economic synergy working at the level of the firm.

However, it is also much more than this. To reiterate a point made in Chapter One, in isolation the argument of economic synergy taking place solely through the cooperation of different companies, misses the totality of 'Hollywood' as a field of practices that has always been promoted by the American government. By also arguing how this can be seen as economic synergy operating at the level of the industry, then issues behind Hollywood's global strength can be better understood. It accounts for, and provides an examination of, the relationship that exists between Hollywood and Los Angeles, unions, banks and the organisation of labour.

Previous chapters have examined how synergy works at the level of Hollywood in greater detail, showing how the international dominance of the American film industry arose not just from cultural factors, but also economic ones. For example, the significance of the two World Wars cannot be underplayed. National production across Europe was dramatically affected during the First World War, providing Hollywood with a market in need of properties. As the only major producer of films during this period, Hollywood was able to create and increase its global position. This was achieved through the 'new distribution procedures abroad, establishing offices in various countries. . . By eroding the European film industry's base of support abroad, American competition permanently weakened the strong prewar European producing countries' (Thompson, 1985; quoted in Wasko, 2003 : 180). Such a process was concretised by the Second World War, when European production was halted once more and American properties were abundant.

Economic synergy at the level of Hollywood is achieved by the industry's lobbying activities and the support it receives from the US government. The latter can be seen in the way the government has supported Hollywood exports in global markets. Furthermore, it tries to protect the industry via the Motion Picture Association (MPA) from international treaty negotiations (NAFTA, GATT, WTO) that seek to reduce its export quotas, or concerns over runaway production. The government also provides 'the clout to back up threats by the industry when countries don't cooperate by opening up their markets' (Wasko, 2003 : 181).

The ability for the MPAA to use the American government to lobby for Hollywood on its behalf not only shows the central part the American film industry plays in today's global media marketplace, but the way in which it can impose its standards on the industry. Additionally, both this and the way in which Hollywood and its studios have forged new [synergistic] relations among various national police forces and local governments in order to control the distribution of pirated material over the Internet (Goldstein, 1994 : 197), is a further example of how synergy can work at the level of the industry.

By 1990 the issue of America's global presence within the entertainment industry re-energised a political issue when it entered the Uruguay round of the GATT negotiations (General Agreement on Tariffs and Trade), and has continued to be an issue for its successor, the World Trade Organisation (WTO). The status of film within this agreement had always been a issue of some contention. The US wanted films to be covered by the treaty so that they could be traded freely around the world like any other manufactured good without restriction; many European countries, particularly

Britain, opposed such a move. Their reason behind such opposition lay in fears that without a system of tariffs and quotas their film industries and national film production would collapse. As Puttnam (1998) then observes, while the British pushed to have films excluded from the agreement, the Americans continued to argue for their inclusion. Ultimately a compromise was reached in which the treaty included special provisions for the treatment of films. In effect, this allowed individual countries to retain quotas for national production. Over forty countries exempted audiovisual sectors from their eventual endorsement of the Agreement. This exclusion did however not stop Hollywood from selling its properties overseas. The consolidation of Europe into one 'selling site' after the collapse of the 'East and West' barrier, coupled with the deregulation of television, was an additional boost for Hollywood (Miller *et al* 2005).

However, in 1995 the World Trade Organisation (WTO) replaced GATT. Miller *et al* further argue how commodities and knowledge previously excluded from GATT, such as 'artworks and international export controls' (p. 37) were included in the WTO's remit. Furthermore, they believe that this new body 'makes it much easier for MNCs [multinational corporations] to dominate trade via the diplomatic services of their home government's representatives . . . Multinationals now find it easier to be regarded as local firms in their host countries' (p. 37), which is why the MPA and MPAA work with the State Department and the Office of the US Trade Representative so closely, so that they can elicit support from the US government when required. Such developments since the formation of the WTO for film and audiovisual properties have been subjected to further analysis recently by a range of writers (see Pauwels and Loisen, 2003; Freedman, 2003).

The real concern now is over the issue of virtual goods. As the audiovisual services in all their various forms are incorporated into electronic forms then the concern is that the distinction between goods and services will be blurred. The European Union is concerned that the US will further expand its domination in global film and television markets by arguing that there should exist free-market access to new communication services. Essentially, what this means for commentators such as Wheeler (2000 : 258) is that American conglomerates will use 'the Internet as a Trojan Horse to undermine the Community's "Television Without Frontiers" directive'.

Economic synergy at the level of Hollywood is further made possible by exploiting new developments within global film networks. These include:

1. Diversification of the film business
2. Growth of co-productions / runaway production
3. Marketing, promotion and film festivals

At the level of the firm then, economic synergy is played out through various strategies so that the corporation determines the 'general ways it deploys its productive resources' (Murdock, 1982 : 122) across all the departments, or divisions, that comprise it. Such a process is consistent with Murdock's 'allocative' form of control. Here, economic synergistic strategies are further mobilised in the decisions of whether the firm should expand or merge, and the best way to achieve this. Economic synergy at the level of the firm includes 'the formation of overall policy and strategy' (ibid.) that determines how that firm operates. Such policies would also contain a range of measures from allocating share interests, through to determining how profits earned from the various divisions of the firm are to be distributed.

A current example of how economic synergy at the level of the firm works can be seen in Disney's recent decision to acquire the animated film production company, Pixar, for \$7 billion (Chaffin and Politi, 2006; Pixar Press Release, 2006). Such a strategy is decided by a board of directors at Disney, and sees Pixar becoming part of the Disney company. The acquisition will reinvigorate Disney's flagging animation department through an infusion of new, specialised talent, while providing the company with characters that it could intensively exploit via cultural synergistic strategies (see next section) across its numerous divisions of: consumer products, theme parks and other ancillary businesses.

However, at the level of the industry, economic synergy is achieved by the closer association that Disney will have with Apple Computers. Steve Jobs is both Pixar's and Apple's chief executive. A merger between Pixar and Disney places Jobs on the Disney board. Such an appointment could help in creating potential networks between the two companies that could help Disney navigate new digital consumer technologies. Such economic synergistic strategies at the level of the industry are necessary in today's marketplace, in which media companies are increasingly coordinating to make their content available on a number of new devices such as the iPod and mobile phones; of which the former is made by Apple.

Such economic strategies have already been tested in October 2005, when Disney's ABC network agreed to sell its television programmes *Desperate Housewives* and *Lost* for download through Apple's iTunes service (Chaffin and Politi, 2006). Clearly, there is much potential for companies in forming such synergistic networks at

the level of the industry. For Disney and Apple, one of the world's premier content companies 'comes together' synergistically, with one of the world's most innovative technology companies.

The ability to form synergistic networks between 'linked' firms at the level of the industry makes economic sense. The cost of producing and marketing cultural products today has increased exponentially; meaning that the decision for firms to pool their resources not only to share costs, but also to spread their risks over a range of different firms - instead of just one taking all the responsibility - becomes a key business strategy. Such a strategy then, sees the process of economic synergy working at the level of the industry by linking firms together in a network.

As Rifkin (2000) argues, sharing the losses in a failed venture provides a type of collective insurance. Network relationships are much more flexible than those based around hierarchical organisations. This flexibility is much better suited to the volatile nature of the new entertainment economy, as cooperation and team work allow for companies to respond more quickly to changes in audience tastes and desires. Of all the different sectors of production, Rifkin considers the Hollywood culture industries to have had the most experience in networked-based business approaches. For this reason, he sees Hollywood as the prototype for the reorganisation of other types of production based upon networking principles.

Chapter Two showed the impact that economic synergy has on the lives of cultural workers within a highly rationalised workplace. While it was argued that the loss of employee control was something that was experienced more by Disney workers than those employed by other leading animation studios of the time (i.e. Warner Bros. or MGM), the dehumanisation of the workplace was seen as being more common under Fordist strategies.

However, one significant point to emerge from Chapter Two is that there clearly exist less opportunities for developing and exploiting the characteristics of economic synergy at the level of the industry under Fordism. This would appear to be mainly due to everything being coordinated and controlled 'in-house', with the exception of funding. While Disney did reinvest profits back into production, this was certainly not enough during the early years to sustain the production of something as grand as *Snow White and the Seven Dwarfs*. As it was argued, such an approach dramatically increases the financial risk in producing a property, as economic risk is unable to be spread over other companies, as in post-Fordist flexible specialisation.

Snow White and the Seven Dwarfs, whose production nearly bankrupted the Disney studio, clearly demonstrated how this can occur. By not being able to fully

develop external networks of production and labour, Disney was responsible for everything. Owing to Walt Disney's obsession with control, establishing networks to exploit economic synergistic strategies would have meant him sharing control of his properties with other companies - something that he was against. It is only through the success of his cultural synergistic strategies that Disney was able to sustain Fordist production for so long.

However, the lives of cultural workers are also affected through the deployment of flexible approaches. Under a rationalised system, workers were left to feel institutionalised and constrained to routinised working conditions. Flexible specialisation has the ability to offset risk across a range of companies, while allowing cultural workers a level of autonomy that they had not experienced under Fordist conditions. The flip-side though to obtaining this freedom, means that companies increasingly create competition for cheaper services. This allows studios to move production to those countries where significant savings can be made in order to exploit the talent of poorer countries via what Toby Miller and his colleagues (Miller *et al*, 2001, 2005; Miller and Yudice, 2002) have referred to as the New International Division of Cultural Labour (NICL). This has resulted in making employment more fragmented. Cultural workers are now increasingly employed on a freelance, *ad hoc*, basis, where they find themselves competing for a shortage of positions. This means that many people now find themselves unemployed for longer periods of time. The use of flexible networks has arguable fragmented the American film workforce.

Hollywood's exploitation of the NICL has had a significant impact on local American economies and labour markets that depend on Hollywood production for their livelihoods, not to mention those local economies and labour markets that are now being used as sources of cheap labour for film production. Such arguments further illustrate the process of economic synergy working at the level of Hollywood as a whole.

Other geographical implications of developing synergistic networks with independent producers at the level of the industry, has led to the re-agglomeration of production in and around Los Angeles. Such a point is consistent with Christopherson and Storper's (1986) examination of Hollywood. Arguably, it was the constant pursuit of economic synergistic strategies that were responsible for this. As Janet Harbord (2002 : 98) notes,

the re-assembly of the entertainment industry necessitated a spatial proximity of companies trading among each other, leading once again to a centralised core of production, and a powerful nexus of economic, cultural

and social interaction. What appears on the surface as an unravelling spool, on closer inspection is revealed as a tight-knot fabric of integrated working relationships, practices and technologies [that comprise 'Hollywood' as an industry].

It is clear that the pursuit of such networking strategies at the level of the industry has had significant geographic implications for restructuring key sites around Los Angeles and the world. It must be emphasised though that the independents are *not* in any position to challenge the major studios owing to the significant levels of control the majors still have of the overall production and distribution process. In addition to this, the characterisation of the high-concept film (see later) eliminates 'the possibility of smaller production units competing in the same market' (Harbord, 2002 : 101), illustrating another way in which the major studios can retain their power over independents. Christopherson and Storper underplay these issues in their analysis of flexible specialisation and organisational change within Hollywood.

A New Form of Fordism

A deeper history of Hollywood's progression from mass Fordism to flexible post-Fordism need not detain us, since the main aim of this chapter is to provide a clearer understanding of how the process of synergy operates.

The network system of film production emerged in the 1950s, largely in a response to the Federal Court's decision to force Paramount to sell off its cinema chain. Jim McGuigan (1996) then argues that this legal reaction against vertical integration was compounded by the spread of television in the 1950s. It was these two factors that spearheaded the move towards post-Fordism within the American film industry before other [older] industries saw the process of Fordism as being an 'outmoded regime of accumulation'.

As McGuigan (1996 : 91) continues: after this, the

studios became primarily distribution rather than production companies and rented out their facilities or turned them over to television, facilities that were no longer viable as in-house assembly lines for feature film production, and they shared out the risks by investing in 'independent' production.

This organisational evolution from 'Fordism' to 'post-Fordism', that characterises the transition from mass production to flexible production, was traced by the pioneering work of Piore and Sabel (1984). However, it is Christopherson and

Storper (1986) and their article 'The City as Studio; the World as Back Lot', that describes specifically how Hollywood was at the forefront of changing organisational practices throughout the last century. As Scott argues, 'it represents the first really serious attempt to understand the organisational and locational foundations of Hollywood as a productive agglomeration, and it must be given high marks for its pioneering analysis' (2002 : 959). This is especially so as many of the developments that were being examined had yet to fully emerge.

However, there do exist problems with Christopherson and Storper's arguments that many commentators (Aksoy and Robins, 1992; Blair and Rennie, 2000; McGuigan 1999; Smith, 1998 and Wasko, 1994) have raised. These question the emphasis on the extent to which flexible specialisation has impacted on Hollywood production. Previous chapters of this thesis have supported such claims with the proposal that *flexible neo-Fordism* better describes contemporary production strategies. The arguments concerning neo-Fordism contest the very notion of post-Fordism by suggesting that production and circulation is not so different from Fordism - albeit with significant modifications.

Hollywood's ability to pursue vertical reintegration strategies stems from more than just advancements in new technologies that rationalises production (as illustrated by the case studies). During the 1980s, the then President of the United States, Ronald Reagan, began to dismantle US antitrust laws. For the culture industries, most notably film, the final barrier was removed in 1993 when anti-trust restrictions on the three major television networks imposed in the 1970s were removed. Reagan's removal of these laws, finally saw an end to the 'fin-syn' (financial interest and syndication) rules. These regulations were drawn up to prevent control and distribution being handled by a single company, and existed in addition to the Paramount decree of the late 1940s.

Vertical reintegration strategies were vigorously developed in the 1990s when companies integrated television and film interests. This paved the way for the Disney-ABC merger in 1995 and the Viacom / CBS merger in 1999 (Croteau and Hoynes, 2000 and 2001) and allowed the development and exploitation of both economic and cultural synergistic strategies at the level of the firm to take place with much greater ease and scope.

However, while there have been shifts in production strategies to utilise more flexible networks and cheaper labour markets, the oligopolistic structure of Hollywood has not been undermined. Vertical reintegration at the level of the industry has instead strengthened the dominant position of the major studios. In addition, the growing

process of smaller production companies being bought and incorporated into conglomerate holdings is not only relevant for analysing economic synergy at the level of the firm, but also allows for a tragic narrative to be told about the rebelliousness of independence turning into incorporation. Such a process itself strengthens the arguments for considering current Hollywood production as being neo-Fordist.

In examining how economic synergistic strategies are played out within the chosen case studies, it was argued that flexible production is still possible without a radical departure from the routinised characteristics of Fordism. The case studies of *Star Wars* and *Lord of the Rings* showed that while organisational changes have occurred at both the level of the firm and that of the industry through the development of economic synergistic strategies, these changes are derived from bouts of deskilling (through new digital technologies), wage depression via the NICL and labour intensification. Such a process is very different to the production strategies that many argue are central to post-Fordism.

Based on this, the thesis argued that commentators who frequently use the term 'new' or 'post-classical' when describing contemporary Hollywood are missing the point. While there is no doubt that there have been shifts and changes in organisational logic, these are perhaps not as fundamental as some commentators believe.

However, while it was argued that neo-Fordism is a better way of describing contemporary production within Hollywood, it was also suggested that flexibility is still used but within an integrated network. It was in Chapter Four where the idea of neo-Fordist production was concretised through the examination of *Lord of the Rings*. Here, it was suggested that neo-Fordism is a better way of explaining how Hollywood works, as production is still largely based on Fordist principles. However, these have been significantly modified by the addition of more flexible production, distribution and marketing systems that have been developed through economic synergistic strategies.

Through the example of 'remote collaboration', whereby workers are joined together through virtual networks, the use of new technologies within the production process was used to show how Hollywood production has become more efficient, routinised, deskilled and flexible. Such an approach draws heavily on established ideas linked with Taylorism and Fordism. The use of new technologies throughout all stages of production almost reestablished the assembly-line approach to making films. Apart from dramatically speeding up production, such new strategies still allow for the specialisation of labour to emerge, while less demanding roles can still be filled by [relatively] unskilled workers.

The difference between the Fordism of the early era of film production and today, is that flexible specialisation is still being incorporated into production strategies. Such flexibility is provided by establishing economic synergistic networks, largely via the NICL, that offer geographically dispersed divisions of [cheap] labour. What this achieves is a means of allowing studios to respond quickly to market changes by offering properties that are produced quickly, efficiently and [relatively] cheaply. New technologies have further eliminated much of the repetition of deskilled jobs by offering a mechanised way of streamlining many of the stages of film production. These in turn make the overall system much more efficient.

What such arguments propose, is that new developments in organisational management and production are not replacing traditional forms. Rather, new organisational practices, such as the flexible neo-Fordist strategy outlined in this thesis, appear to co-exist with, and become incorporated into, remolded traditional practices.

In turn, independent contractors reduce their risks as much as possible by engaging in numerous projects. For example, the special effects division of Lucasfilm, Industrial Light and Magic (ILM), while providing the special effects for Lucasfilm productions - such as the new *Star Wars* prequels - will also be producing the special effects for several other different films that they have been contracted for.

What the idea of flexible neo-Fordism shows, is while numerous small production companies exist alongside monopolistic firms, there is actually very little competition between them (Miege, 1989). These smaller companies are better equipped to respond to changes in social demand and to provide creativity than the larger studios. But while they exist mainly to reduce the uncertainty that exists in the production of cultural properties, they never actually threaten the dominance of the majors. For Miege, if this ever occurred then it would not take long before the conglomerates began to limit the number and scope of the independents. Arguably, such a process could be said to be currently occurring through the growing trend of incorporation that is a current feature of New Hollywood (Biskind, 2004). Growing numbers of independent companies are being bought and incorporated into the conglomerate portfolio - a recent example being Pixar.

Other critics (cf. Leborgne and Lipietz, 1987) though point out that there does not appear to be any real consensus at present as to whether industrialised society is operating in either a post-Fordist or neo-Fordist system of organisation. It is apparent that flexible production techniques are being used within Hollywood today. However, while the likes of Boyer (1987), Leborgne (1987) and Piore (1987) argue that flexible

specialisation offers a greater variety of output than is possible within flexible mass production, it is still possible that neo-Fordism (Aglietta, 2000 [1979]) is a more accurate description of current production than post-Fordism. Mass conformism, standardisation and consumerism still persist today in spite of apparently more choice in cultural consumption and opportunities for popular access to cultural production.

Neo-Fordism and the Question of Choice

The increasing use of neo-Fordist based strategies has led to an intense exploitation of the consumer. Bouts of increased marketisation have witnessed shifting power relations between public intervention and commercial enterprise. The market promises consumer sovereignty, advocating that the consumer is king or queen. Advertising rhetoric would seem to indicate that supply is responsive to consumer wants, demands and preferences. In reality however, supply is largely determined by corporate needs. Demand then, is 'constructed' by promotion and advertising; in other words, a range of cultural synergistic strategies. In reality, these cultural synergistic strategies vastly exaggerate the actual power that consumers really have (Grant and Wood, 2004). In addition, such approaches also exaggerate the extent to which new cultural properties are actually new and original. Such tensions lie at the heart of Adorno and Horkheimer's claim of 'pseudo individuality'. What this concept identified was the endless contradictions that existed between the promotional rhetoric of advertisements and the real situation that existed within the marketplace.

While such arguments illustrate that consumer choice is indeed being reduced through the extensive deployment of cultural synergistic strategies, the producer-consumer relationship is not completely weighted towards the media institutions of production. Opportunities for consumer sovereignty, while minimal (or controlled), do still exist. Chapter Four raised several areas, such as the Internet, where consumer sovereignty may still be able to be played out.

Such arguments concerning neo-Fordism in general, and the ability to constantly recycle previous genres, styles, narratives and images, questions the claim that a significant diversity in cultural properties and products are available to consumers. For example, while there may appear to be many different products within the *Star Wars* franchise, it is still all based on the *Star Wars* themes and images.

A significant amount of Hollywood's yearly output revolves around the types of high-concept film property that can be used to establish a line of associated products. While these films may be watched by adults, their core appeal is to young adults and children in general.

The illustrations and arguments contained in this thesis support Wasko's (2003 : 223-224) observations that

[w]hile hundreds of films are produced and distributed each year, it may be possible to argue that audience choice is still somewhat constrained by the many formulaic and recycled films that Hollywood consistently distributes to theatres and other outlets that crave these types of. . . [properties]. Even though audiences are said to influence the films that are produced and distributed, such influence is mainly a matter of choosing between the films that are actually made available.

Certainly, much of American popular culture. . . is mass-produced, thus it is not created by public preference but by industrial intentions. In this sense, the claim of consumer choice is somewhat overstated.

Cultural Synergy

From Intensive to Extensive

As previously mentioned, Christopherson and Storper's account of the developments within Hollywood, and the flexible specialisation thesis in general, offer insights into how organisational change has redeveloped film production in the US. Yet many commentators, particularly Wasko (1994), have questioned their claims of vertical disintegration within Hollywood. For Wasko, 'rather than disintegration, the US film industry has experienced a process of reintegration in the late eighties' (1994 : 16).

The real issue that is at stake here is whether vertical reintegration should be addressed at the level of the industry as well as the firm. This is important also for the concept of synergy which also poses the same question, as the reintegration of Hollywood is related to synergy.

Hollywood at the level of the firm is vertically integrated across a group of companies that operate at different levels within the production and circulation network. These exist either as contractors supplying direct labour for the production of the film, or to provide various services such as special effects, catering, transport and so forth. However, at the level of the industry as a whole there exists a collective body of corporations who coordinate production and distribution - such as theatrical, home video, DVD, cable and television releases as well as merchandising tie-ins - to achieve diversification of product and expand sales.

The potential profit that exists in turning properties into products through cultural synergistic strategies, has lead to a period of mergers with film studios

becoming incorporated within larger media conglomerates. Known as 'horizontal integration', this sees new media giants such as Disney and Viacom owning multiple forms of distribution that range from film and publishing to radio and television. As previous chapters have discussed, horizontal integration is central to the development and exploitation of cultural synergy.

From this, it would appear that there is a strong argument for studying the process of cultural synergy as working at the level of the industry, and not just exclusively at the level of the firm/corporation. Without the cooperation of other industries, principally advertising, Hollywood would not exist in anywhere near the form it does today. It is clear that the vast majority of Hollywood products are dependent on other industries for their existence and eventual success. As McGuigan (1996) points out, ' . . . production is dependent not only upon advertising finance and effective marketing but also upon the representational discourses and audiovisual formats of commercial speech' (p. 94). Other types of industry, not just those connected solely within Hollywood, are brought together in a synergistic manner throughout the cultural circuit.

Many forms of industry are used to promote films, including newspapers, cinema chains (trailers), the Internet, food manufacturers, soft drink companies, airlines and so forth. While none of these companies are involved directly in the production of the film, they are essential as a channel of distribution to promote the film to as wide an audience as possible. It sees different types of industry, from transport to food, to clothing and entertainment outlets, coming together in a synergistic way in order to promote a film in anticipation of some of the spin-off interest that the film will hopefully generate being rubbed off onto them. This can be mainly achieved by product placement techniques (Wasko *et al* 1993) which allow manufacturers to connect high street goods to certain films by paying to 'place' their products within the film's narrative. Films that lend themselves to this global marketing strategy have been termed 'high-concept' (Wyatt, 1994 - see later).

For Wasko, this saturation and repetition of images from media properties across a wide range of distribution and marketing channels is of great concern. For her, the way in which the persistent stream of images, themes and characters based on movie franchises (such as *Star Wars* and *LoTR*) penetrate into all facets of daily life, limits the expression of society's ideas, values and general original creativity; or what Eileen Meehan (1986) has termed 'the cultural fund'. Wasko has taken this concept slightly further. For her, the principle of economic synergy can also be

extended into popular culture. It is here that Wasko proposes her other dimension to the process of synergy, *cultural*.

The thesis has clearly detailed how marketable film content flows from film texts to marketing texts through a range of intensive cultural synergistic strategies. It has also been argued how marketing can affect the production of films via audience research and testing. Examples of the former, however, in which a film has been exploited in other media and promotional forms include how images and themes can be taken from a film and incorporated into computer games, trailers, film posters, the Internet, cross-promotional tie-ins and merchandising. As these marketing devices become more widely disseminated through extensive domestic and global distribution strategies, they form what Gary Hoppenstand (1998 : 232) calls a 'film environment' outside the film. It is the externalisation of these 'extracted' features of a film property that form the basis of cultural synergistic strategies. However, they also serve much more than just economic functions, for when these marketable elements penetrate public space, they also affect the aesthetic experience of filmgoing (Miller *et al*, 2005). By borrowing and recombining these elements in different ways and means, then the process of exploiting cultural synergy extensively creates an accompanying intertextuality that exists beyond the original property.

The financial logic behind the concept of cultural synergy makes economic sense. Once the idea for a textual property is developed, there obviously exist numerous advantages to using it for a range of products. However, Wasko fears the erosion of diversity and originality as a result of deploying such extensive strategies. Clearly, it has been shown throughout the case studies that the disadvantage in deploying such cultural synergistic strategies extensively is that while characters, stories, themes and so forth are exploited across a range of products, more often than not we witness a cluster of similar products but across different types of media. The worry is that although the number of media platforms and distribution systems has increased, the content has in fact stayed the same. Wasko's primary concern is 'that our culture may not be actually evolving, but merely recycling' (1994: 252).

Deploying Extensive Strategies

Wasko's worries are rooted in the extensive deployment of cultural synergistic strategies that exist at the level of the industry. Intertextuality is created through the existence of a recombinant culture, whereby 'anything can be juxtaposed with anything else' (Gitlin, 1989: 350). Attempts to '[re]construct' seemingly new properties from the recombination of old ones, provides not only a safer way of producing cultural

properties (i.e. if it worked before, it will work again) but it also creates strong feelings of nostalgia in older audiences/consumers that may then be capitalised upon through various marketing strategies.

Chapter Three showed how the *Star Wars* Special Editions cleverly positioned the first trilogy so that it introduced new audiences to the saga while luring them into the franchise. They cleverly demonstrated the use of retro branding within the intertextual use of connected products that characterises today's entertainment economy. These intertextual 'connections' are then extensively exploited through cultural synergistic strategies at the level of the industry. Chapter Three highlighted how the concept of intertextuality works on several different levels. First, the relationship between texts within a saga or franchise; second, the relationship between text and marketing strategies; and finally the relationship between the text and the systems of production in which it was created (political, social and cultural). By placing the analysis of *Star Wars* within the larger body of cross-marketed texts that make up the franchise, it becomes easier to see how important synergistic processes are in linking all these various [separate], but nonetheless, interconnected texts.

The argument concerning the lack of originality in contemporary Hollywood was further supported by Chapter Four, which discussed how the creation of nostalgia through the appropriation of myth and intertextuality was achieved in *Lord of the Rings*. This showed how, through extensive exploitation of cultural synergistic strategies at the level of the industry through diffuse forms of intertextuality, *Lord of the Rings* and *Star Wars* largely conform to the same narrative structures and patterns. In this respect, it was proposed that *Star Wars* could be seen more as *Lord of the Rings* in space.

The intertextual 'pick 'n mix' style of exploiting cultural synergy extensively is very similar to Fredric Jameson's (1991) idea of the cultural style of late capitalism. For Jameson this is characterised, among other things, by the desire for nostalgia whereby history is the object not of representations but of stylistic connotation. This is exemplified by both the Disney theme parks, and how the Special Editions of the original *Star Wars* trilogy were used as a nostalgic 'lure' for the new prequels. What this recycling of cultural symbols, themes and styles achieves is a sense of the 'already said'. The extensive exploitation of cultural synergistic strategies at the level of the industry constructs a sense that one cannot invent anything new, but merely play with the already existent. Such observations uphold Wasko's fears of a static and recycled culture.

With regard to extensive cultural synergistic strategies, one particularly salient area concerns tourism. This was highlighted in Chapter Seven when it was argued how tourism companies within New Zealand quickly began to develop various marketing strategies in order to take advantage of the publicity created by the *Lord of the Rings* films. The detailed consideration of this in Chapter Seven provided a further way to illustrate the process of cultural synergy not only working, extensively, at the level of the industry, but also *between* industries. However, the benefits of such extensive synergistic networks are not confined solely to *Lord of the Rings*, but are increasingly becoming characteristic of blockbuster properties more generally. Such recent examples include *The Da Vinci Code* (2006), *Pirates of the Caribbean: Dead Man's Chest* (2006) and *The Chronicles of Narnia* (2006) - the latter which was also, interestingly, filmed in New Zealand.

Meehan's (2004) earlier argument of 'redeployment' is also relevant in the extensive development of cultural synergistic strategies. Here, products take the form of merchandise that can either be linked directly to the original property or to a number of associated products that are connected to it. This type of strategy has been best illustrated in Chapter Three, when it was argued that the array of *Star Wars* novels and computer games provide an 'expanded universe' to the narratives contained in the original films.

However, George Lucas was not the first to exploit cultural synergy extensively. Chapter Two analysed how Walt Disney was already developing extensive strategies in relation to *Snow White and the Seven Dwarfs*. Apart from creating a range of associated products by granting licenses to other companies 'downstream' to produce merchandise, the chapter argued how Disney strengthened his brand awareness for both the animated film and his company's range of characters through intertextual recycling. Chapter Two argued how an 'expanded universe' was created by featuring the characters in *Snow White and the Seven Dwarfs* in a variety of books and magazines that took place after the film had finished. Often these products also contained other Disney characters, and by cross-pollinating the company's most well-known characters in this way, readers would not only be familiar with Disney's repertoire but these 'expanded' properties would have a ready made audience.

However, today the most significant types of film that sustain this form of cultural synergy is arguably the 'high-concept movie'. Described as a film that has a straightforward, easily pitched and comprehensible story, many directors of such films (*Jaws*, *Top Gun* etc.) often highlight the uniqueness of the film's central idea. However, Wyatt (1994) argues that the concept can be explained as: 'the hook, the

look and the book'. More often than not, these films rely on the same combination and replication of themes, genres and images which is an inherent characteristic of extensively exploiting cultural synergy at the level of the industry. For Wyatt, this form of 'post-generic' filmmaking is highly dependent on a simplification of character and narrative, that coupled with an intense interaction between the film and its soundtrack, result in sequences that are ideally reconfigured for a range of difference products (i.e. soundtrack, computer games, comics etc.).

What is essential to make Wyatt's high concept work, is that while marketing strategies will try and make any film stand out as a 'differentiated product', audiences must understand the role that marketing plays in connecting a film's likeness to other films in order to reduce the uncertainty of its appeal at the box-office. Such a process of borrowing and recycling themes and stylistic conventions is central to how the extended notion of cultural synergy operates. The genre system, for example, is of importance in creating a culturally defined referencing system that provides core characteristics that can be used as a shorthand in marketing strategies (Miller *et al*, 2005).

As previously discussed, the role of marketing creates a range of intertextual influences that 'spill over' into an area of competing interpretations that exist outside, or beyond, a film's narrative. Through the intertextual recombination of genres, styles and themes, the notion of an extended form of cultural synergy beyond a single property can be seen. For example, the 2003 Disney film *Pirates of the Caribbean* can be seen as *The Buccaneer* meets *Mutiny on the Bounty*, while the 2004 release of *Alien Vs Predator* saw these past two science-fiction franchises literally coming together. They serve as an effective way of repackaging previously successful ingredients into a new film, making marketing that much easier (Hoskins *et al*, 1997).

Olson (1999 : 78) provides a further example of this intertextual recombination in his examination of the 1996 film *Independence Day*:

[I]ts plot line, characters, and sets are a veritable catalogue of science fiction films, including gooey antagonists (from *Alien*, 1979), surprise side effects of alien surgery (from *The Thing*, 1982), a gung-ho kamikaze American (from *Dr. Strangelove*, 1963), space-age aerial dogfights (from *Star Wars*, 1977), friendly and trouble-making computer software (from *2001: A Space Odyssey*, 1968) and human victory thanks to unforeseen infection [albeit a computer virus] (from *War of the Worlds*, 1953), with characters from non-genre films, such as *An American President* (1995), thrown in for those with shorter memories or other generic tastes.

These observations closely follow Bernard Miege (1987: 276-277). While Miege was concerned specifically with the 'flow' production of broadcasting to fill in large areas of new content schedules, this seems to contain certain parallels to the concept of cultural synergy. The properties of a flow culture tend to be characterised largely as uninterrupted, which the constant recycling of images also allows. Hollywood's properties today are offered as a constant stream of releases, most of which are nothing more than a combination of previous themes, mainly to fill schedules. In fact, Miege's flow culture today is a highly commodified one as properties are available for a succession of realisations, achieved through the process of synergy. In this sense, 'flow' is a very industrialised concept which mirrors that of Fordist, or rather *neo-Fordist* production. So it perhaps also makes sense to talk about cultural synergy as an extension to Miege's flow logic of broadcasting.

For Miege (1989) however, this still does not overcome the uncertainty of cultural use values, no matter how much Hollywood relies on market research and pre-testing. For him, the spreading of risk is much more effective by offering a list of films as the cultural producer always has great difficulty determining the conditions of valorisation for its properties. Such arguments can be used to explain the constant release of Hollywood films, the shortening of the film distribution period in general and the fact that many films are only in cinemas for a short period. Such observations have significant parallels with Wyatt's 'high concept', whose underlying strategy is that by throwing as many different films at the consumer as possible, a few may find appeal; with one or two appealing in a very large way.

Developing extensive cultural synergistic strategies at the level of the industry can also be viewed as being *hyperreal*. Baudrillard's (1983 [1981]) position on this has been well documented. For him, media culture in general has created an environment that is saturated with signification. In truth, all this creates is a sensation that meaning has imploded in on itself so that signs only signify other signs. There exists no way of ever being able to connect to the real or the original. For Baudrillard, the hyperreal has become more real than reality. It was of course Italian philosopher Umberto Eco (1987) who coined the term *hyperreality*, and further provided us with the analysis of 'faith in fakes'.

For Eco, Disneyland is the most prevalent example of hyperreality. For him, Disney's theme parks exude a sense of reality that makes us believe absolutely that what is being seen is actual 'reality', rather than simply a representation. They are a form of *environmental simulacra*, what Olson (1999) argues to be environments that are hyperreal, enabling fantasy to take on a physical form and surround the consumer.

Eco's 'faith in fakes' is most commonly seen in the audio-animatronics of attractions such as *Pirates of the Caribbean* or the *Haunted House*, which Eco interprets as producing 'iconic reassurance', a factor which Wasko is too quick to dismiss in her analysis of Disney.

Conclusion

In conclusion there is a need to emphasise once again the enormous complexity of the synergistic process. For many commentators, the term 'synergy' has different meanings depending on what is being analysed. For Vincent Mosco (1996) the term has been formulated for public relations purposes as much as for anything else, but this chapter has shown that there is also a considerable amount of analytical value in the concept. Such analytical value has been sorely overlooked in previous studies of how Hollywood works.

To this end two distinct dimensions, or types, of synergy have been explored: 'economic' and 'cultural'. These provide different lenses for analysing and evaluating the development and effect of synergy within cultural production. Economic synergy has been identified as a process that can either operate at the level of the firm or the industry. At its most basic, economic synergy means the *integration and coordination of various functions within a firm*. However, what is especially significant today is determining production from the point of consumption. As stressed earlier in the chapter, this is concerned with making what audiences are said to want. The role of marketing, along with issues of consumer 'sovereignty', have grown in importance. It is through exploiting factors such as these by forging 'networks' that the first form of economic synergy can be argued to work at the level of the industry. Such arguments can be extended into considering how synergistic strategies are mobilised at the level of Hollywood through US government protection. This is another way in which economic synergistic strategies can be seen to function at the level of the American film industry as a whole.

Economic synergy has a homologous relation to 'cultural' synergy. This suggests that 'characters, stories and ideas are made into products for different outlets' (Wasko, 1994 : 252). Cultural synergy originates from economic synergy, and as a result both terms are interrelated. The concept can be succinctly defined as: *the multiple exploitation of (an) intellectual property*. Synergistic strategies of this type that occur at the level of the firm are intensively exploited across the coordinating corporation's diverse division of companies. This can take many forms, and includes

spin-off merchandising, theme parks and other forms of media (e.g.s television, cable, DVD).

At the level of the industry, such cultural synergistic strategies are deployed extensively across a broad range of different companies that come together in order to promote the film in a number of different ways. Such a conceptualisation is consistent with Wasko (1994), who argues that 'Hollywood does not merely represent the film industry, but crosses over traditional boundaries and engages in transindustrial activities' (p. 6).

It has also been proposed that because of the extensive way in which cultural synergistic strategies are exploited, an accompanying extensive intertextuality is also created, suggesting that a form of cultural synergy exists *beyond* a single property. Such an idea is symmetrical with the argument that there is a level of economic synergy beyond the discrete corporation. What makes this possible is the 'recombinant culture' of postmodernism that typically characterises contemporary cultural production. Such a feature is a distinct characteristic of cultural synergy, particularly in Hollywood, which is marked by the constant recycling of successful formulae (e.g. The *Star Wars* Special Editions and Prequels, in addition to the 'sequel' film in general) coupled with the remaking of older films (e.g.s. *The Italian Job*, *King Kong*, *The Fog*, *The Ladykillers*, *The Flight of the Phoenix*, *The Pink Panther*, *The Poseidon Adventure*, *The Thomas Crown Affair*, *The Omen*, *The Wicker Man* etc.). In addition, the desire to further reduce risk by combining successful properties strengthens the argument of intertextual 'borrowing' that largely characterises Hollywood today.

Synergy as an overall process is a product of changing organisational structures that combine the power to control resources and the flexibility to respond quickly to changing markets and consumer taste. This chapter has attempted to unravel the complexities of synergy as a means of helping to illuminate the intricacies of cultural production within Hollywood. It must be remembered that there exist particular logics at work within the cultural industries that must be accounted for. Understanding the process of synergy lies at the heart of understanding these logics. While there is a sound argument in comparing film production with other manufacturing industries, such as Christopherson and Storper (1986) have done, it would be a serious mistake not to appreciate and take into consideration that within cultural production generally the valorisation of capital takes place under specific conditions and is influenced by numerous peculiar factors. This chapter has provided a typology that seeks to address such issues.

What is important to remember here is that although we must not lose sight of the totalising approach of Adorno and Horkheimer (1979 [1944]), as there does clearly exist standardisation, there are also differentiation patterns that reside throughout the industry as a whole. Adorno and Horkheimer's views should not be totally discarded as being irrelevant, nor should the work of the cultural industries approach be embraced in isolation. Rather, there needs to be a synthesising of these insights in a 'both-and' approach rather than 'either-or' in order to obtain a more rounded and complete perspective in considering the multiple dimensions of the cultural industries (Kellner, 1997a).

This thesis has shown that the process of synergy is a far more complex and multifaceted set of processes than previous commentators have acknowledged in their discussions.

Conclusion

Introduction

This thesis has provided a systematic, theoretically informed and empirical examination of synergy within Hollywood production and distribution. In doing so it has provided a conceptualisation of the process by means of a typology. The prototypical cases provided a diachronic dimension to evaluating the process of synergy by not only placing its evolution within the wider development of economic and social change, but also by selecting cases that best illustrated their respected forms of production and circulation. Chapter One argued that the benefits of a multiple case study design ensured a more rigorous and reliable framework against which the analysis of both economic and cultural synergy could be placed.

While Hollywood is but a small part of the larger conglomerate activity that comprises the communication and media industries in general, it is clear that most of the coordination that takes place does so under the same corporate ownership. For many of these conglomerates, such as Disney, film production is a small part of their overall business profile. Through various bouts of vertical and horizontal [re]integration, these companies are also involved in many other media and communication activities. It is because of these constant waves of incorporation that the companies that control these activities are becoming fewer in number.

The need to constantly diversify into different areas of distribution has become the key business strategy for these large media conglomerates. This ensures that potential revenues earned from a given property are maximised as much as possible by developing properties into products. The reason for this is because it is extremely difficult to predict demand for cultural commodities, and even more difficult to anticipate how successful they may be once a market has been created. The 'glue' that binds together all the various divisions within and outside a conglomerate to achieve this, is *synergy*. While the production and distribution of films may occupy a small part in the overall portfolio of a media conglomerate, this thesis has shown that they occupy a key role in the development of synergistic strategies.

Drawing It All Together

The specific aim of this thesis was to grasp the ontological complexity of an industry (Hollywood) that deploys sophisticated techniques of synergy. This was achieved by conducting an analytical examination of several prototypical cases, through the use of a multi-dimensional analysis, that helped to unravel the complexities behind the synergistic process. This was later conceptualised by means of a typology.

The process of synergy can be considered as a commercial practice that spreads the risk of [high-concept] film production and marketing across a range of firms and businesses. It is a product of changing organisational structures that combine the power to control resources and the flexibility to respond quickly to changing markets and consumer taste. Following Janet Wasko (1994), the process was argued to have two main parts: economic and cultural, and was conceptualised in a typology.

It was proposed that synergistic strategies operated at both the industry as well as at the level of the individual firm. At its most basic, economic synergy was defined as 'the integration and coordinating of various functions within a company.' It was through this definition that economic synergy operating at the level of the firm was said to operate. However, today there clearly exists a coordination of various functions and strategies that exist *outside* the divisions of the coordinating corporation. By considering the multiple logics that comprise Hollywood business, it was argued that the process of economic synergy operating at the level of the industry takes place.

This operated in two ways. First, via the formation of networks and partnerships with companies *outside* the coordinating corporation. This reflects the definition of synergy provided at the start of this section, in as much as it achieves diversification of production for the purposes of cost-cutting and enhanced profitability. The formation of such a network relies on the process of post-Fordism to create a flexible production system. However, it was argued that while this could still be seen as a form of synergy operating at the level of the firm, the process of post-Fordism is not about ownership. Following Castells ((2000 [1996])), what is important in distinguishing between economic synergy at the level of the firm or the industry is the way in which production is shared along a network of different companies that represent the totality of the American film industry as a whole. While these firms are often controlled and coordinated by the principal corporation, they are not owned by them. It was argued that this form of production replaces the vertical integration and coordination of departments *within* the same corporation that defined Wasko's definition of economic synergy working at the level of the firm.

It was also argued that economic synergy further operates at the level of 'Hollywood' as a field of practices that has always been promoted by the State. Providing a crossover between the two ways economic synergy operates at industry level, helped to further understand the issues behind Hollywood's global strength, and its relationship with: Los Angeles, unions, banks and the organisation of labour.

In considering Wasko's original examination of the process, it was argued that economic synergy has a homologous and interrelating relationship to 'cultural' synergy. The process was described as being the *multiple exploitation of an intellectual [textual] property to enhance profitability*. Chapter One outlined how cultural synergistic strategies that occur at the level of the firm are *intensively* exploited across the coordinating corporation's diverse division of companies. These can take many forms, and include: spin-off merchandising, theme parks and other forms of media (e.g.s. television, cable, DVD etc.).

At the level of the industry however, it was argued that such strategies are exploited *extensively* across a broad range of different industries that come together via networks formed through economic synergistic strategies in order to promote a property in a number of different ways. Such a distinction illustrated how both economic and cultural synergy, while describing different parts of the process, are highly interrelated.

In analysing the chosen prototypical case studies, it was also proposed that because of the extensive way in which cultural synergistic strategies at the level of the industry are exploited, an accompanying extensive intertextuality is created through the recombination of genres, styles and themes that exist as a result of extensive marketing - suggesting that a form of cultural synergy exists *beyond* a single property. Clearly, such a proposal is symmetrical with the argument that there is a level of economic synergy beyond the discrete corporation. The 'recombinant culture' of postmodernism that typically characterises contemporary cultural production was argued as a significant factor in achieving this.

It is quite apparent just how much Hollywood has evolved since the days of the studio era, when individual studios were responsible for producing all their properties. Over the course of its history, through a period of vertical disintegration and then reintegration, mergers and acquisitions, Hollywood has come to occupy the central node in the production and distribution network. It is a position that has not been obtained accidentally either. By using the process of synergy in its two main forms, cultural and economic, Hollywood now coordinates the production of a range of properties and associated products that moves its influence beyond just the film industry. The huge media conglomerates which comprise Hollywood are also involved in: books, television, radio, theme parks, CDs, DVDs, toys, clothing, magazines and a whole range of further associated merchandise through which they can obtain maximum exposure for their properties through cross-media promotions. This is in an

attempt to reduce the risk that exists in producing cultural properties by sharing it with other companies.

It is through the development of both economic and cultural synergistic strategies that Hollywood's share of the world film market has doubled during the 1990s (Miller *et al*, 2005 : 10). Toby Miller and his colleagues further point out, that 'Hollywood's overseas receipts were US\$6.6 billion in 1999 and US\$6.4 billion in 2000' (ibid.). The reduction, they argue, was due to foreign-exchange depreciation rather than any drop in admissions. As outlined in the Introduction to this thesis, in 2002 the Hollywood box office increased by 13.2 percent; which is considered the largest period of growth for twenty years (European Audiovisual Observatory, 2003 : 4). Furthermore, international revenues reached US\$9.64 billion in 2002, a figure that represents a 20 percent increase from 2001 (p.11).

The Paramount case was intended as a means to end the oligopoly that the majors held. As this thesis has shown, by implementing various business and synergistic strategies to reduce risk through flexible production, Hollywood have become more powerful than ever. These strategies are central to Hollywood's continuing globalisation of popular culture and American imperialism. This is of great concern in the preservation of local cultures and identities, and is something that even the WTO cannot seem to slow down. It is through these factors that Hollywood has not only dominated the global scene, but imposed its standards (whether they are aesthetic, technological or ideological) as *the* standard for the world film industry.

The increase in the size of film majors, brought about through mergers and conglomeration, means that they cannot only afford to develop more costly projects (achieved through a range of strategies) but it also provides them with an ability to promote their properties through expensive and multiple marketing campaigns. Economies of scale can then be developed and exploited, while short-term losses can be absorbed by the success of more popular properties.

Even though it was initially seen as a threat, it took the introduction of television to make the majors realise the benefits that could be obtained from cultural synergy. They quickly understood the potential revenues that could be made from ancillary markets. While films such as *Star Wars* (1977) did not introduce the industry to the possibilities of merchandising, the film did make the industry aware of how profitable sales from ancillary markets could be. *Star Wars* earned over \$500 million at the box office, but sales achieved by extensively exploiting cultural synergy are far greater - approximately \$1.5 billion a year during the early 1980s (Maltby, 1998 : 24).

The formation of economic synergistic networks at the level of the industry in the creation of spin-off merchandising, created an extensive exploitation of cultural synergistic strategies at the level of the industry. By doing this, forms of intertextuality were created between a film and its marketing campaign. An example of the impact this had on film style can be seen through the commodification of the film's narrative through the extensive exploitation of cultural synergy at the level of the industry. This was taken to new heights in Steven Spielberg's 1993 film *Jurassic Park* (Balides, 2000). At one point the camera tracks past the Jurassic Park gift shop showing a line of associated merchandise that could be purchased from shops 'in reality' (Maltby, 2003). It also provided opportunities for MCA, which at the time was part of Matsushita, to exploit cultural synergistic strategies at the level of the firm through their various divisions.

However, analysing cultural synergy in the exploitation of a cultural property also raised questions of how this has impacted on the aesthetic of film form and style. This is more notable through the high-concept (market driven) films outlined in Chapter Five, and further highlights the effect that the extensive pursuit of cultural synergy at the level of the industry has had on cinematic properties.

As suggested earlier, the thesis argued that the extensive deployment of cultural synergy at the level of the industry creates diffuse forms of intertextuality to produce something that is marketed as being new, but in reality is merely a combination of past themes. An example of this that is consistent across all three of the case studies is how they have attempted to create a new mythology for a modern age based upon the updating and recycling of classic mythologies and fairy tales. The use of myth in this way has then been almost commodified in the pursuit of cultural synergistic strategies. These arguments have significant weight in concretising the notion of neo-Fordism as the strategy of current Hollywood production and consumption.

Such a trend has furthered Hollywood's grip on the cultural scene, perpetuating America's globalisation of both cultural and economic markets. The thesis showed how this has led to an erosion of textual diversity that has had the effect of closing markets and reducing freedom of choice for audiences and consumers; particularly when coupled with cultural synergistic strategies. This lack of originality was further strengthened when it was argued how many forthcoming blockbusters are all based either on the same genre and narrative structures, or simply remakes of previous films.

Contemporary Hollywood is a complex and multifaceted production and franchising industry. It constantly produces an array of products to fill various markets

that usually all contain common characteristics that allow the properties to be easily marketed under the strategy of cultural synergy. More often than not, these films are high concept blockbusters with a simple narrative, often climatic, that usually ends on a positive note and features a major star with many marketable attributes (Scott, 2002). For studios, the profits to be made from exploiting a film across different products can be more than that earned from the box-office. However, the market for films is risky, and even the process of synergy cannot always promise a success when set against the capricious nature of popular taste (Bryman, 2004 : 90-91).

Corporate influences on film activities as well as the power structures at work within the industry have all played a key role in the Hollywood that exists today (Wasko, 1994). Locating the process of synergy historically, as this thesis has done, provides an account of how the stages of production, distribution and exhibition have played an important part in shaping Hollywood's history and providing opportunities for diversification. Understanding synergy historically also shows how the changes in distribution have impacted on the industry's relationship with other institutions and industries, while also changing the way people experience film through the characteristics of cultural synergy and technological developments in general.

By selecting several prototypical cases of synergistic development within Hollywood from the 1930s until the present, the thesis has clearly outlined how the synergistic process has a long history within Hollywood production. This has shown how Hollywood has both developed and evolved synergistic strategies, as well as highlighting the central importance these played in reshaping the structure of Hollywood business in general.

Developing such strategies at the level of the firm through Fordist styles of production were most prevalent during Hollywood's 'Golden Age'. However, the breakup and restructuring of the Hollywood studios from the 1950s through to the 1970s resulted in a new operating and business model. It was during this period that the extensive exploitation of synergy at the level of the industry was established. The thesis has shown how the development of contemporary Hollywood owes its current operating form to five principal changes. These exist in addition to the breakup of the old studio system, and can be summarised as:

1. The way in which new technologies have been integrated into all stages of the production and distribution process;
2. The bifurcation of the production and distribution of high concept blockbusters on the one hand, compared to those from independent

filmmakers on the other;

3. The intensification of runaway production and the exploitation of the New International Division of Cultural Labour (NICL);
4. The expansion of new markets based on the deployment of cultural synergistic marketing strategies;
5. The recycling of cultural forms; and finally the merging of film studios with giant media conglomerates.

Through bouts of vertical disintegration, and then later reintegration, it was proposed that the key elements of production within Hollywood today revolve around the development and deployment of synergistic strategies. Allen Scott (2002 : 965) argues how the current complexity of contemporary Hollywood production and circulation can be described with reference to four main functional and organisational features. By incorporating key arguments from this thesis, these can be summarised as:

1. **Overlapping networks of production.**

Such networks exist in various forms of vertical disintegration and reintegration. The central nodes on these networks are occupied by the majors, independents and providers of specialised services - from script writing to film editing and special effects. These networks exist as a form of flexible specialisation, as outlined by Manuel Castells (2000 [1996]).

2. **Local labour markets.**

These employ large numbers of people who possess talent and skills that companies within the first stage can outsource work to. This labour market is constantly being renewed through new talent, updated skills and knowledge by people from around the world. However, in spite of what Scott calls the 'centripetal locational pull of Hollywood', cheaper sites of production have been increasingly sought out overseas to exploit NICL, keep production costs down and to take advantage of various concessions (tax breaks etc.).

3. **Organisations and associations that represent firms, workers and government agencies.**

These can include: the Screen Actors' Guild, the Directors' Guild, the MPAA and other important institutions. Many of these organisations can exert

considerable influence in protecting their members and the interests of Global Hollywood - in particular the MPAA - and can affect the trajectory of the industry. Such arguments further illustrate the second way that economic synergy can operate at the level of the industry.

4. **A regional milieu.**

This is considered to hold crucial resources for the industry in the form of diverse and striking visual imagery of Southern California, through to its proximity to other related cultural-products industries. This is another example of synergy operating at the level of the industry.

However, the thesis has queried the view that current Hollywood production is an example of post-Fordism. The arguments concerning neo-Fordism contests this very notion by suggesting that production strategies are not so very different from Fordism - albeit with significant modifications.

What this thesis proposes (particularly in Chapter Four) is that new developments in organisational management and production are not replacing traditional forms. Rather, new organisational practices, such as the flexible neo-Fordist strategy outlined in this thesis, appear to co-exist with, and become incorporated into, remolded traditional practices (as argued in the previous chapter).

The thesis also discussed the impact the synergistic process has on creativity. It was proposed that because of the highly networked way in which New Hollywood works, any examination of value and creativity must take account of the 'human relationships and social processes through which an individual or group of people may have come to realise a particular creation' (Negus and Pickering, 2004 : 56). Post-Fordist strategies clearly showed that creativity does not take place in isolation, and that future studies need to break away from the tradition of examining cultural producers in terms of traditional theories of authorship. This will allow for the highly complex relationships of production to be understood more clearly.

Chapter Three showed that in many ways it was difficult to identify the agency of George Lucas in relation to classic theories of auteur (also the case with Walt Disney and Peter Jackson). Rather, it was proposed that because of the complex way in which creativity is organised within New Hollywood, the idea of 'auteur' should be broken up into two dimensions: 'internal' and 'external'. While Chapter Three argued that Lucas clearly had difficulty conforming to the characteristics of internal authorship, he had clearly mastered the external. Following on from this, it was possible to argue

that Lucas was an auteur; but only in his ability to coordinate external networks and contracts. It is through this, that his companies have come to dominate Hollywood post-production.

Conversely, Peter Jackson's ability to lobby the New Zealand government to support new film projects through a range of subsidies was argued to be the clearest way in which his role as 'external' auteur could be accounted. Jackson's role as an 'internal' auteur was outlined in the way that he made the film adaptations of Tolkien's books appear 'natural' and 'authentic'. Through a range of synergistic strategies, Jackson was then able to showcase New Zealand both as a talent base and location site.

Final Conclusion

Understanding the complexities of contemporary Hollywood production and circulation is very difficult without examining the process of synergy. This thesis has established the importance of synergy within Hollywood. In addition to providing a clearer appreciation of the complexities behind the deployment of synergistic strategies, this thesis has proposed a framework that has a much broader significance for understanding the process and implications of contemporary production and distribution more generally.

In doing so the thesis addresses a neglect within the current secondary literature. Many contemporary discussions of Hollywood, and the cultural industries in general, have tended to overlook the importance that synergy has in explaining political, social and cultural change. Such studies sometimes even fail to mention the process at all.

While this thesis has focused on the importance of synergy within Hollywood production and distribution, there exist many further issues where a study of synergy would be necessary. In this respect, the thesis has opened up a set of questions that has broader significance to modern business and communications.

As an ongoing process of study within the field, such examples include:

- Tourism;
- The globalisation of labour and its effects;
- Nostalgia and the use of retro-branding;
- Creative Leadership under synergistic strategies;
- Flexible Neo-Fordism as a more appropriate way of considering contemporary production and circulation;

While this thesis has shown that Hollywood is but a small part of the larger conglomerate activity that comprises the communication and media industries, it is the way the majors continue to build and develop alliances with other companies that makes the study of synergy so important and far reaching.

Given the highly interconnected way that the process of synergy combines various companies and industries together, then the ongoing process of studying synergy does not begin and end with Hollywood. Rather, this is the start of understanding a process that has far reaching implications of how cultural production and circulation are organised.

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