

## Essay

Nowadays, we can say that with the information and communication technologies and globalization almost everybody on this planet is interconnected to each other. And the more links existed, the more the economy becomes complex. Therefore, it creates a situation in which only a really tiny percentage of people has power in a given area over all the others: it is called a winner takes-all economy. Thus, to the question: do we live in a winner takes-all economy? We could answer giving various examples. But in this study we are going to focus on one sector only and understand why it could be described as a winner takes-all economy: to what extent is the film industry a perfect example of winner takes-all economy? At first, it is important to point out that this study will take into account the western world mainly. The first part of this essay will focus on the systemic effect in this industry, which is at the origin of this phenomenon. The second part will examine the spatial divide this situation implies. Finally, the third part will be about the principle of relatedness given that no winner takes-all economy lasts forever and ever.

First of all, one argument which demonstrates that the film industry is a winner takes-all economy is that we can observe the phenomenon called systemic effect. It is a sort of snowball effect, in other words, the more you have links or connections with different elements such as individuals, the more you are going to have connections with other elements. It creates a virtuous circle. But we are going to explain it with examples from the cinema industry.

For instance, we can see a systemic effect concerning the famous people of this sector. Indeed, if we take the example of actors or actresses, we notice that the more this person is famous, the more he or she is going to be famous: more people will follow him or her on social media, the press will write more articles about him or her, he or she will have more agreements for blockbusters and be more and more famous. If we consult the different rankings of actors or actresses still alive in the world, we will see that almost the same names are mentioned in the western world. Amongst the best actors, the better paid, or the most follow on social media we find several times Leonardo DiCaprio, Dwayne Johnson, Jack Nicholson, Morgan Freeman... And for the women, we often find Viola Davis, Nicole Kidman, Jennifer Lopez, Sandra Bullock ... Their celebrity make them more and more famous: if they are famous, they will play in more movies and then be more famous. It is a perfect example of systemic effect. We can observe the same thing if we take a look at the directors still alive: Steven Spielberg, Quentin Tarantino or Tim Burton for example are mentioned on several occasions. The more their movies are seen, the more they become famous and the more they make films that will be seen by a larger and larger number of people. Therefore, it will be the same tiny percentage of people that will dominate the sector. Furthermore we can notice here that they are all American.

We can also see a systemic effect concerning the famous cinema companies, in other words the studios and producers. In the western world, the biggest studios are in Hollywood in the US, and the biggest studios of Hollywood are called the majors. Currently, the five majors are: Walt Disney Studios with 19.9% of the American and Canadian market share in 2020, Warner Bros. with 11.7%, Universal with 21.9%, Sony with 22.2% and Paramount with 8.3%. These companies dominate the industry and continue to dominate it thanks, in part, to the systemic effect: indeed, the biggest box office successes were produced by these studios, thus they earn a lot of money, then they can produce blockbuster movies, which are more likely to become box office successes, and they earn more and more money.

A final example we can give about the systemic effect in the film industry is the example of movie franchises. A franchise is characterised by the fact that it is a whole universe that is created and it generates a lot of money. To create a franchise you have to attract the attention of the public as soon as the first movie of your universe is released. And if it works, the more you will add elements at the franchise, the more it will become bigger, the more it will attract people, and the more it will generate money you will use to make grow your franchise. This is why the same studios dominate the industry: because the famous franchises are still enriched. We can mention the Wizarding World (*Harry Potter*), still famous thanks to *The Fantastic Beasts* lately ; the Marvel Cinematic Universe which is in constant evolution with the release of various movies a year ; *Star Wars*, famous for more than 40 years thanks to, for example, the release of movies and series recently.

We just saw in our first part that the film industry can be described as a winner takes-all economy because it presents several examples of systemic effect, in other words the more the industry attracts people, the more it attracts other people and generates money. We demonstrated it with the example of famous people, companies and franchises. From now on, we are going to show that the film industry is a winner takes-all economy because it creates a spatial divide.

Another argument demonstrating that the film industry is a winner takes-all economy is that it creates a spatial divide. Indeed, we started to see in our first part that the most famous actors, actresses, directors and studios in the western world were American.

At first, we can see this divide by naming the most prestigious drama schools in the world. Amongst them we can mention the Tisch School of the Arts and the Juilliard School in New York, the Yale School of Drama in New Haven (Connecticut), the USC School of Cinematic Arts in Los Angeles, the University of California San Diego, the London Academy of Music and Dramatic Art... Almost all these schools are in the US. There is an underlying logic: the biggest studios are in the US as well as those dominating the sector. So the schools emerge there to limit the distance between individuals and facilitate interactions. The individuals go to America to join this knowledge hub and they contribute to the status of this country as nerve centre of the industry at the expense of other countries from the western world which cannot compete with this giant. The United Kingdom succeeds to emerge a bit certainly thanks to the common point it shares with the US: English language.

Then, in the western film industry, there is one place to be: Hollywood. This neighbourhood of Los Angeles in California is the historic centre of the film industry. The majors were born there and still have their headquarters in the state. Nowadays, it still represents the western film industry since a lot of famous actors and actresses live there. We can also see the Hollywood Walk of Fame with the aim, according to E. M. Stuart who had this idea, to “maintain the glory of a community whose name means glamour and excitement in the four corners of the world.” Moreover, the Academy Awards better known as the Oscars has taken place in Los Angeles since its first edition in 1929. Receiving awards during this ceremony is considered as the highest and most prestigious honours in the film industry. This cinematographic culture in Hollywood contributes to make of this place the centre of the industry and gives very little chance to other places to emerge.

Finally, the spatial divide can be demonstrated simply by a logical deduction. As the biggest film companies are in the US and that a large part of the individuals working on a movie had to be near to each other, these companies employ a lot of people in the America. Furthermore, we saw that the most famous schools and professionals of the sector are in the US too. Thus, it is clever for the companies to reduce the distance based costs by employing people on American soil. In these conditions, it appears that no other country in the western world can compete with the US.

In our second part, we learnt that the status of winner takes-all economy of the film industry generated inequalities. Indeed, America and Hollywood are dominating the sector at the expense of other countries of the western world. Now, we will see that this status is not eternal and that threats can induce to find relatedness links.

As a winner takes-all economy, we could think that the film industry in the western world is out of danger. But threats exist.

Since the beginning we focus our study on the western world, but it is important to know that other “Hollywoods” are competing with the US across the world. Indeed, we can mention Bollywood, the Indian cinema, Nollywood, the Nigerian cinema, and the cinema of China. Bollywood is the biggest producer in number of movies produced: almost 2,000 a year, closely followed by Nollywood and the Chinese cinema with more than 1,000. Hollywood is far behind with a production of between 500 and 800 movies a year. However, Bollywood and Nollywood movies are mostly seen in their own countries – even if Nollywood succeeded to internationalised itself in Europe – and Hollywood stays the first movie producer in terms of revenue. Nevertheless, in 2020, through the coronavirus pandemic, China slightly overtook the United States: 2.7 billion of dollars for China and 2.3 for the US. Indeed, the American film industry suffered from the closure of cinemas harder than China and had to postpone a large number of movies.

Another consequence of the pandemic and the closure of cinemas is the rise of a new way to consume movies: streaming platforms. Netflix, Disney+, Amazon Prime Video ... In 2020 in the US, a large part of people preferred to watch movies on these platforms than in theatres, whereas it was the contrary in 2018. It is a source of debate in the industry as, according to some people, it could put in danger the economic system of the sector. Indeed, the theatres are threatened so the way we consume is disrupted and it is a difficult change to accept in the sector. But is it an actual danger for the industry? And if the studios and directors worked with these platforms, would it be a solution?

The status of winner takes-all economy of the film industry in the western world is threatened, and relatedness links, in other words opportunities of diversification in complementary capabilities, have to be found. The streaming could be a solution. Studios like Disney have already decided to create its own platform and following the pandemic, more and more producers and directors are joining this system. Small independent directors are even saved by platforms, as *Roma*, critically acclaimed, was produced by Netflix because nobody else wanted to do it. It is also interesting for movie makers because they can avoid promotion costs in theatre by diffusing their movies on platforms. And, given that the consumer tends towards streaming, it is now a question of surviving and evolution for the industry. Finally, to be present on platforms is a good way to expand in the whole world and not only in the western world: the movies released in theatres are chosen differently depending on the country, whereas platforms offer almost the same films everywhere.

To conclude, we saw that the film industry can be described as a winner takes-all economy as it presents systemic effects concerning famous people, companies and franchises. Thus it creates spatial divides as we saw it with the examples of the drama schools, Hollywood, and the location of jobs. Finally, the industry is threatened by new centres of cinema and the streaming platforms boom. But it could find relatedness in this new way of consumption. From now on, we could study the winner takes-all phenomenon with another example of the entertainment world, as sport for instance.

## **Bibliography**

- Choppin, Damien. *Le classement 2020 des acteurs les mieux payés au monde*. Business Insider France, 13/08/2020, viewed on 11/11/2021: <https://www.businessinsider.fr/le-classement-des-acteurs-les-mieux-payes-au-monde-157322#1-dwayne-johnson-87-5m>
- *Greatest Actors of the 21st Century*. IMDb, updated on 31/08/2014, viewed on 11/11/2021: <https://www.imdb.com/list/ls006541408/>
- *Greatest Actresses of the 21st Century*. IMDb, updated on 07/08/2012, viewed on 11/11/2021: <https://www.imdb.com/list/ls006541471/>
- *Les meilleurs acteurs*. Sens Critique, ?, viewed on 11/11/2021 : [https://www.senscritique.com/liste/Les\\_meilleurs\\_acteurs/924862](https://www.senscritique.com/liste/Les_meilleurs_acteurs/924862)
- *Greatest Directors of the 21st Century*. IMDb, updated on 27/02/2014, viewed on 11/11/2021: <https://www.imdb.com/list/ls006541285/>
- *Les 10 meilleurs réalisateurs de ces dernières années*. Devenir réalisateur.com, 05/05/2021, viewed on 11/11/2021: <https://devenir-realisateur.com/blog/les-10-meilleurs-realisateurs-de-ces-dernieres-annees/>
- Caravani, Marc. *Qui sont les acteurs hollywoodiens les mieux payés en 2021 ?*. GQ, 19/08/2021, viewed on 11/11/2021: <https://www.gqmagazine.fr/pop-culture/article/qui-sont-les-acteurs-hollywoodiens-les-mieux-payes-en-2021>
- Dargis, Manohla and Scott, A.O.. *The 25 Greatest Actors of the 21st Century (So Far)*. The New York Times, 25/11/2020, viewed on 11/11/2021: <https://www.nytimes.com/interactive/2020/movies/greatest-actors-actresses.html#gael-garcia-bernal>
- *Photos : les acteurs les plus suivis sur les réseaux sociaux !*. Public, 15/10/2019, viewed on 11/11/2021: <https://www.public.fr/Toutes-les-photos/Photos-les-acteurs-les-plus-suivis-sur-les-reseaux-sociaux-1622760>
- *Best Movie Directors of All Time*. IMDb, updated on 20/02/2018, viewed on 11/11/2021: <https://www.imdb.com/list/ls056848274/>
- *Top 10 Most Known Movie Directors of All Time*. Urban Matter, viewed on 11/11/2021: <https://urbanmatter.com/top-10-most-known-movie-directors-of-all-time/>
- *Box-office des réalisateurs dans le monde*. Wikipédia, updated on 28/10/2021, viewed on 11/11/2021: [https://fr.wikipedia.org/wiki/Box-office\\_des\\_r%C3%A9alisateurs\\_dans\\_le\\_monde](https://fr.wikipedia.org/wiki/Box-office_des_r%C3%A9alisateurs_dans_le_monde)
- *Liste des plus gros succès du box-office mondial*. Wikipédia, updated on 28/10/2021, viewed on 11/11/2021: [https://fr.wikipedia.org/wiki/Liste\\_des\\_plus\\_gros\\_succ%C3%A8s\\_du\\_box-office\\_mondial](https://fr.wikipedia.org/wiki/Liste_des_plus_gros_succ%C3%A8s_du_box-office_mondial)
- Choppin, Damien. *Les 10 films qui ont eu le plus de succès dans l'histoire du box-office mondial*. Business Insider France, 16/03/2021, viewed on 11/11/2021: <https://www.businessinsider.fr/les-10-plus-gros-succes-de-lhistoire-du-cinema-186919#1-avatar-2009-2-36-mds>
- *Box-office des franchises dans le monde*. Wikipédia, updated on 02/10/2021, viewed on 11/11/2021: [https://fr.wikipedia.org/wiki/Box-office\\_des\\_franchises\\_dans\\_le\\_monde](https://fr.wikipedia.org/wiki/Box-office_des_franchises_dans_le_monde)
- *Meilleures écoles de cinéma du monde | Classements 2021*. World Scholarship Forum, 22/06/2021, viewed on 11/11/2021: <https://worldscholarshipforum.com/fr/best-film-schools/>
- *10 Best Acting Schools In The World 2021*. Xscholarship.com, 21/03/2021, viewed on 11/11/2021: <https://xscholarship.com/10-best-acting-schools-in-the-world/>

- Abramovitch, Seth. *The World's 25 Best Drama Schools, Ranked*. The Hollywood Reporter, 19/06/2021, viewed on 11/11/2021: <https://www.hollywoodreporter.com/lists/25-best-drama-schools-ranked/juilliard-new-york/>
- *Major film studios*. Wikipedia, updated on 10/11/2021, viewed on 11/11/2021: [https://en.wikipedia.org/wiki/Major\\_film\\_studios](https://en.wikipedia.org/wiki/Major_film_studios)
- Navarro, José Gabriel. *Market share of leading film studios in the United States and Canada from 2010 to 2020*. Statista, 26/10/2021, viewed on 11/11/2021: <https://www.statista.com/statistics/187171/market-share-of-film-studios-in-north-america-2010/>
- *History of the Walk of Fame*. Walk of Fame, viewed on 11/11/2021: <https://walkoffame.com/history/>
- *Academy Story*. Oscars, viewed on 11/11/2021: <https://www.oscars.org/academy-story>
- MacClintock, Pamela. *It's Official: 2020 Domestic Box Office Fell 80 Percent to \$2.3B Behind China's \$2.7B*. The Hollywood Reporter, 01/01/2021, viewed on 14/11/2021: <https://www.hollywoodreporter.com/movies/movie-news/its-official-2020-domestic-box-office-fell-80-percent-to-2-3b-behind-chinas-2-7b-4110745/>
- Jakubowicz, Lucas and Paes, Vincent. *Hollywood vs Bollywood : le match*. Décideurs Magazine, 23/07/2020, viewed on 14/11/2021: <https://www.magazine-decideurs.com/news/le-match-hollywood-bollywood>
- Bellanger, Anthony. *Le cinéma chinois à l'attaque !*. France Inter, 21/10/2020, viewed on 14/11/2021: <https://www.franceinter.fr/emissions/les-histoires-du-monde/les-histoires-du-monde-21-octobre-2020>
- Amos, Felicity. *First Hollywood, then Bollywood, now Nollywood!*. One, 15/06/2015, viewed on 14/11/2021: <https://www.one.org/us/blog/first-hollywood-then-bollywood-now-nollywood/>
- Navarro, José Gabriel. *Preference for watching a movie for the first time at a theater instead of via a streaming service in the United States from November 2018 to June 2020*. Statista, 12/08/2021, viewed on 14/11/2021: <https://www.statista.com/statistics/947757/theaters-streaming-watching-movies/>
- *Le cinéma a-t-il encore un avenir ?*. France Culture, 03/12/2020, viewed on 14/11/2021: <https://www.franceculture.fr/emissions/le-tour-du-monde-des-idees/dans-quel-etat-le-monde-de-la-culture-sortira-t-il-de-la-crise-4-le-cinema>
- *Streaming ou salles obscures : où est l'avenir du cinéma ?*. France Culture, 07/08/2020, viewed on 14/11/2020: <https://www.franceculture.fr/emissions/le-temps-du-debat/streaming-ou-salles-obscures-ou-est-lavenir-du-cinema>
- Ghedaifi, Leila. *Netflix ne tue pas le cinéma, il le sauve*. Views, 18/03/2021, viewed on 14/11/2021: <https://views.fr/2021/03/18/plateforme-streaming-video-industrie-cinema/>
- *Débat : Les plates-formes sont-elles en train de sauver ou de tuer le cinéma ?*. The Conversation, 23/12/2020, viewed on 14/11/2021: <https://theconversation.com/debat-les-plates-formes-sont-elles-en-train-de-sauver-ou-de-tuer-le-cinema-152496>
- Tellier, Maxime. *Quand le cinéma bascule en streaming*. France Culture, 05/12/2020, viewed on 14/11/2021: <https://www.franceculture.fr/economie/quand-le-cinema-bascule-en-streaming>