

Abstractions of Draft Works in Progress

Franklin, M. Filmmaking as risk management: how valuation practices form market devices to structure action.

Films are regularly used as high profile categorical examples of valuation. Examples include critical rankings, awards, or quantitative measurements such as Box Office results. The interrelation of such valuations have proved of great interest to cultural economics, marketing, management and business studies. As unique or singular goods, films offer great scope for valuation studies in their consumer facing life. However, additionally and crucially, the international film industry is mobilised by a complex, typically hidden, behind-the-scenes machinery of valuation practices to which little academic attention has been paid. Over the extensive, multi-year life cycle of each film as a cultural and economic good (Karpik, 2010), multiple practices of valuation assess, negotiate, construct, establish, maintain or contest their value (Doganova et al., 2018., 2014), and do so in a variety of contexts from script to screen. Multiple different market actors (agencies / practitioners) are involved in the valuation of a film, from producers to directors, financiers, sales agents, distributors, exhibitors, TV companies and Subscription Video-On-Demand (SVOD) services. A complex, nuanced and varied set of valuation processes and accompanying logics are in operation at different times as these agencies interact and create the film and its market. These include comparable titles analysis, revenue forecast ultimates, and inter-party agreements. Sometimes film valuations occur in condensed, high-pressured calculations such as a Cannes acquisition, sometimes over extended periods of considered assessment during the shuttle diplomacy of greenlighting.

Unpacking under-examined facets of valuation machinery in a rich and high profile setting can deliver a substantial contribution to understanding of valuation practices, creative industries markets, and the management and materiality of risk. Film market actors are in a permanent state of pitching, to partners, funders, film industry buyers and to the final audience. Processes of valuation and reverse engineering the valuation processes of others are foremost in their activities. These practices are occurring in an industry experiencing an extended period of flux and disruption driven by digital technologies, including streaming, and the enduring impacts of the 2008 financial crisis (Oxera 2016 / Pact / Olsberg SPI, 2017). Whilst most focus has been allocated to the role of digital technologies' automated metrification in regard to value, the context of their application in relation to established devices of valuation is crucial to understanding film industry management. New, data-led modes of quantitative valuation have enhanced, rather than replaced entrenched human methods of assessment. In some cases, siloing and inertia have prevented significant changes. The intricate, often highly network-dependent methods of valuation that compose the market are regularly superseded in our attention by the value proxies of Box Office and critical hindsight. For this reason, it is important to closely consider the interconnections of various intermediaries, their logics and market devices, to illuminate valuation practice in this sector. By considering the way that the notion of risk mediates the processes of valuation, a lens is found that focuses on the industrial infrastructure, and thus provides a complement to the dominance of external evaluators (audience and critics) in the literature.

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