Cultural Daily

Independent Voices, New Perspectives

Piracy vs Indie Films: It Hurts More Than You Think

Cultural Daily · Wednesday, September 3rd, 2014

By Ruth Vitale, *Executive Director of CreativeFuture, and* ***Tim League,*** *Founder and CEO of Alamo Drafthouse Cinema*

There's no question that it's an exciting time for the film and television industry. The almighty Internet has been a powerful, democratizing force in entertainment, leading to exponential increases in choices for audiences and greater potential for exposure for filmmakers.

New online distribution services have provided audiences with unprecedented access to content where, when, and how we want it. In the U.S. alone, on more than 100 legal online distribution platforms, more content is available today than any one person could possibly consume in a lifetime.

The explosion of high-quality, scripted programming that television audiences currently enjoy—from "Mad Men" to "Breaking Bad" to the return of "24"—would probably not have occurred without the binge viewing trend that is a direct outgrowth of emerging digital distribution methods. On the film side, release windows (the time from first theatrical release to first digital release) have steadily dropped from an average of five months in 2003 to less than four months in 2013. Many films are even going straight to VOD, releasing day-and-date on VOD and in theaters, or premiering exclusively on stand-alone sites like Netflix, Amazon, Vudu, and Xbox Video.

For aspiring filmmakers, far fewer barriers to entry exist today than were present even just a few years ago. It's no longer the case that a handful of companies stand as the gatekeepers to a filmmaker's success.

Today, in theory at least, a savvy indie filmmaker can produce her own film with relatively inexpensive equipment, self-finance with a Kickstarter campaign, self-distribute through any number of innovative means, and run a viral promotional campaign using free social media tools such as Facebook, Twitter, and Instagram.

But even with all that good news, everyone who works in film and television understands—and will tell you—that over the years, getting projects made has become increasingly more difficult.

The number of films released each year by the major film companies has dropped 37%, from 204 movies released in 2006 to just 114 in 2013. Releases from so-called art house labels owned by major studios dropped 63%, to 30 films in 2013 from a high of 82 in 2007. In recent years, many of those divisions have shut down, such as Fox Atomic, Miramax Films, Paramount Classics,

Paramount Vantage, Picturehouse, and Warner Independent Pictures. Outside the major studios, film releases ticked down one percent in the last year, from 549 to 545. That might not seem like a significant statistic, but after three years of rapid growth, The New York Times called it “a striking halt.”

What’s more, studio development budgets have decreased and the major distributors are increasingly turning to sequels and remakes with built-in audiences, rather than taking risks on new projects.

Many factors drive these trends, but it’s undeniable that piracy is a big part of it. The same technological revolution that has made it possible to self-distribute has made it just as easy for someone to take your work and share it for free with millions of strangers.

The fact is: pirate sites don’t discriminate based on a movie’s budget. As long as they can generate revenue from advertising and credit card payments—while giving away your stolen content for free—pirate site operators have little reason to care if a film starts with an investment of $10,000 or $200 million. Whether you’re employed by a major studio or a do-it-yourself creator, if you’re involved in the making of TV or film, it’s safe to assume that piracy takes a big cut out of your business.

“Grand Budapest Hotel” has the dubious distinction of being the most-pirated recent indie film. (Photo courtesy Fox.)

We know piracy won’t go away altogether, and we won’t always agree on the best way to go about disrupting it. But we can agree on a vision for a digital future that better serves audiences and artists alike, and that future depends on reducing piracy.

While the mandate to reduce piracy is clear, we do have to be cautious in the way we attempt to educate or inform opinions about piracy with a younger demographic. Young people today don’t see illegal piracy in quite as black-and-white terms as do prior generations.

Two major factors are at work here. Large brands now regularly produce and share content for free in exchange for some level of impression with the consumers. This devalues content and starts rounding the price for all content to free. Also, in our current culture of remixing and sampling, piracy has become fairly pervasive, buoyed by the emergence of Creative Commons and the concept of “some rights reserved.” The re-imagining of copyright—the idea that all past creative output should be the building blocks of future creativity—has gained traction. Banging the drum to the beat of “theft is wrong” and “theft is illegal” only alienates and annoys this demographic, recalling the equally ineffective Reagan-era war on drugs.

Instead of belaboring the legality of piracy, creators should focus on being transparent, being approachable, choosing to share some content under the Creative Commons banner and developing a genuine, connected relationship with their audience. As we have anecdotally seen with the success of “pay what you want” and other innovative releases, creators who focus on building communities and sharing directly with their communities have received financial support for the content they create. While the gap between established artists like Radiohead and those just getting started should not be understated, pioneering release strategies continue to redefine the way art can be monetized for creators of all kinds.

The only way to hopefully find common ground between creators opposed to piracy and people who engage in it without remorse is for creators to understand their audience's perspective and philosophy. You will likely never win over those who "don't give a shit" and steal because they have a broken moral compass. But many others who illegally download may be encouraged to ultimately support creators—if creators can better understand their perspective and engage them in ways that foster mutual respect.

Supporting creators and recognizing the value of creativity is much bigger than piracy. On the music side, for example, there are serious questions about how legal online distribution services are compensating artists. Musician David Byrne has been critical of music streaming services like Pandora and Spotify, whose payouts to even some of the most successful artists would not allow them to make a living:

> In future, if artists have to rely almost exclusively on the income from these services, they'll be out of work within a year. Some of us have other sources of income, such as live concerts, and some of us have reached the point where we can play to decent numbers of people because a record label believed in us at some point in the past. I can't deny that label-support gave me a leg up—though not every successful artist needs it. So, yes, I could conceivably survive, as I don't rely on the pittance that comes my way from music streaming, as could Yorke and some of the others. But up-and-coming artists don't have that advantage—some haven't got to the point where they can make a living on live performances and licensing, so what do they think of these services?

That's the challenge of the new digital reality for filmmakers—and all artists. Everyone in the creative industries is working to figure out how to adapt and make the creative economy work for them. All the options available to that savvy independent filmmaker are the same things everyone else is trying. With so much content available, competition is fierce. And ultimately, those who are the scrappiest and most tenacious in marketing their content and connecting with their audiences will often win.

"Game of Thrones" has had more than 5.3 million illegal downloads. (Photo courtesy HBO.)

For better or worse, some of those who have been the most successful at using the new digital tools are people who already had commercial success with so-called legacy companies. The new model that holds so much promise for newcomers may actually discriminate against newcomers, strictly because of the sheer volume of content available and the corresponding difficulty in getting that content seen or heard.

In a recent column in The New York Times, film critic A.O. Scott summed up the cluttered landscape of creative content and what it means for artists in this way:

> Competitive reality television, Kickstarter campaigns and cooperative self-publishing ventures offer the lure of fame and fortune accomplished without the usual middlemen. The idea that everyone can be an artist—making stuff that can be shared, traded or sold to a self-selecting audience of fellow creators—sits awkwardly

> alongside the self-contradictory dream that everyone can be a star.
>
> The result is, or threatens to become, a stratification that mirrors the social and economic inequality undermining our civic life. A concentration of big stars, blockbusters and best sellers—Beyoncé, "The Avengers" and their ilk—will sit at the top of the ladder. An army of striving self-starters will swarm at the bottom rungs, hoping that their homemade videos go viral, their self-published memoir catches fire or their MFA thesis show catches the eye of a wealthy buyer. The middle ranks—home to modestly selling writers, semi-popular bands, working actors, local museums and orchestras—are being squeezed out of existence.

The challenge of how to break through the clutter can lead a filmmaker to think: "I'm happy to have my movie pirated; it means somebody noticed."

That's sentiment is understandable, and so is the inclination to give one's work away for free. But neither is sustainable.

Years from now, it goes without saying that how audiences watch and experience creative works will be different than it is today. Even just a few years ago, the notion of streaming a feature-length movie on a smart phone was completely alien.

What's uncertain: How will creators be rewarded for their investments of time, money, energy, and talent? That's the question we all need to address as a creative community.

Taylor Swift, an artist with an intimate relationship with her fans and unquestionable digital native bona fides, said in a recent Wall Street Journal op-ed:

> Piracy, file sharing and streaming have shrunk the numbers of paid album sales drastically, and every artist has handled this blow differently.
>
> In recent years, you've probably read the articles about major recording artists who have decided to practically give their music away, for this promotion or that exclusive deal. My hope for the future, not just in the music industry, but in every young girl I meet…is that they all realize their worth and ask for it.
>
> Music is art, and art is important and rare. Important, rare things are valuable. Valuable things should be paid for. It's my opinion that music should not be free, and my prediction is that individual artists and their labels will someday decide what an album's price point is. I hope they don't underestimate themselves or undervalue their art.

The same could be said for film, television shows, photography, books and more.

Finally, as fans of art, in whatever form, we should recognize the role each of us play in assigning value to creative works. If we collectively decide that all creative content should be free, sadly, we may end up getting what we pay for.

Our interaction with art and culture should be much bigger than a simple point of sale transaction

for a movie ticket, a song on iTunes, or a subscription to Spotify, Netflix, or cable television.

And it is. Film, television, music, and books are the backbone of our culture. You just wouldn't know it based on the dollar value we currently assign to creativity.

Ruth Vitale is the Executive Director of CreativeFuture, a creative community coalition that promotes the value of creativity in today's digital age and embraces expanded audience access to content in ways that reward creativity.

Tim League is founder and CEO of the Alamo Drafthouse Cinema in Austin, Texas. Alamo Drafthouse is a CreativeFuture Coalition Partner.

This article was originally published in Indiewire. We re-post it here with their kind permission.

Top image from "The Hurt Locker." This 2009 Academy Award-winning film lost at least $10 million at the box office due to rampant piracy. Courtesy Summit Entertainment.

This entry was posted on Wednesday, September 3rd, 2014 at 4:00 pm and is filed under Film, Lifestyle, Technology
You can follow any responses to this entry through the Comments (RSS) feed. You can leave a response, or trackback from your own site.