

Cultural Daily

Independent Voices, New Perspectives

Sundance Infographic 2018: As Climate Changes, Indies Retrench

Adam Leipzig · Wednesday, January 17th, 2018

The climate is changing. It's getting colder, and not just in Park City, which will have snow this year as it did last, after a spate of summer-like Januaries. The independent filmmaking climate as a whole is changing, and our data shows that filmmaking is changing with it.

When we first started doing our Sundance Infographics, it was with the intention to use the submissions data from the Sundance Film Festival as a bellwether for the independent film sector at large. That's still the case, but we can now see more systemic signs of indie movies struggling after a brief period that seemed like summer.

For the past decade and more, large studios — the major MPAA-members, plus companies like Lionsgate — have had a theatrical box office market share hovering between 91% and 92%. Everyone else competes for 8%-9% of the market.

What's changed is the number of competitors for that smaller slice of the pie. Ten years ago, in 2007, the large companies were responsible for 213 of the total 631 movies released; that means 418 indies were competing with each other. In 2017, the gap had widened. Last year, the large companies were responsible for 158 of the total 724 movies released; that means 566 indies were competing with each other. In 2017, truly independent films accounted for only about 5% of the total market share, or about \$500 million, and most of that money went to a handful of movies.

As a consequence, fewer indie films are getting playdates on multiple screens; of the 250 lowest-grossing independent movies, most played on only one or two screens for runs of a few days to a couple of weeks. Of the Sundance films from the Class of 2017, only three got wide theatrical releases (more than 600 screens) and only nine grossed more than \$1 million. Perhaps in response to the cooler climate, the number of dramatic features submitted to Sundance is down from the prior two years.

Of course, you could well ask, Does theatrical release matter any more? That's an especially relevant question as more indie films are being bought by companies like Netflix and Amazon, where business models are different. Of the Sundance 2017 films, 56 got a release through a distribution company (some theatrical, some VOD), although virtually all the rest are available online — perhaps on YouTube, perhaps on the filmmaker's website. The real question for indies, is not "Will the audience be able to see my movie?" because they will, somewhere. The real question is, "Will the audience *even know my film is there*, given all the movies being released, all the

episodic TV shows, and all the other content being offered by traditional and non-traditional purveyors?”

This continues the trend, begun several years ago, that downshifts to the filmmaker responsibility for finding the audience and selling the tickets or downloads. Filmmakers will increasingly have to be entrepreneurs for themselves.

Despite the economic uncertainty of investing in indie movies — and “uncertainty” is putting it nicely — by our estimates \$2.26 billion was spent on the dramatic and documentary features submitted to Sundance this year. The vast majority of these funds will never be recouped.

Sundance 2018 begins at a time of profound disruption of the motion picture business. We have one less studio. Weinstein Co. won’t be buying. Focus Features, Sony Pictures Classics, and Roadside Attractions all had tough years, and they’ll need to be circumspect. Amazon is in the midst of management shift, and while they have the cash not to be circumspect, they probably should be, given the under-performance of their 2017 indie pick-ups. I’m looking to the smart and innovative people at A24 to make the savviest acquisitions.

As we have done in prior years, we are reporting the number of illegal torrent downloads of some of last year’s Sundance films, with data provided by [Tecxipio](#). It’s notable that the torrent numbers are substantially lower this year. For example, over the same number of months, *Swiss Army Man* (2016) recorded 7 million illegal torrent downloads, while *The Big Sick* (2017) had 3.6 million. I think there are two reasons for this drop in torrents. The first is that illegal streams have considerably replaced illegal torrents; streams are harder to count and we don’t have access to that data. But I believe a second reason also obtains: Because indie films are getting less exposure via wider theatrical releases, fewer audience members are aware of them. We did a spot-check of illegal streams for 2017 Sundance films on social media sites and found almost none, an observation that bears out my hypothesis.

2018 will be a pivot year for the indie movie business at large, with more transitions to come. The changes begin this week at Sundance, and there’s frost in the air.

Here’s our Sundance Infographic for 2018. Stay warm!



Sundance Infographic 2018

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Top: An image from 'Genesis 2.0', directed by Christian Frei and Maxim Arbugaev, screening in the Sundance 2018 World Cinema Documentary section. Courtesy Sundance Institute.

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