

Opposites Attract – Effects of Diverse Cultural References and Industry Network Resources on Film Performance

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Abstract This study analyzes movie success factors in an intercultural context. Using a sample of 160 German top-ten movies of 1990-2005, we test hypotheses on the relation of movie team composition (members' cultural background, industry tenure, social network resources, education, star status, age, gender) and film characteristics (sets, movie content) to a movie's domestic, export, and total performance. We suggest that capitalizing on diversity in both input categories helps providing familiarity to audiences in different markets. We find that offering cultural familiarity (team members of different cultural backgrounds, international sets) is strongly rewarded abroad. Yet, domestic success depends on other diversity inputs. For domestic success, diversity in social network resources – which reduces the danger of “groupthink” and enhances creative potential available for movie creation – is essential. We provide managerial implications for how to target international audiences more effectively.

Keywords: Motion picture industry, team diversity, cultural diversity, network analysis, star power

1 Introduction

“We know that an announcement ‘British Film’ outside a movie theatre will chill the hardest away from its door.”
(Joseph Schenck, Ex- President of United Artists; cited in Low et al. (2005: 298)).

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The sector that has recently shown tremendous growth rates worldwide and accordingly, has been termed “the new global growth industry” (Roodhouse 2004), is the sector of cultural and creative industries. This sector comprises the economic activities in the creation, production, and distribution of goods and services that are cultural in nature, such as film, literature, music, theatre, or broadcasting. For film and television, researchers expect that by 2020, consumer demand will have tripled compared with the year 2000 (Baughn and Buchanan 2001). While such growth holds promises for film producers, it also ups the economic stakes.

Generating high revenues from industry growth requires designing film projects that do not only meet demand in the domestic market, but that can also compete internationally. Yet, focusing on the European market, as a matter of fact, Europeans do not watch many films by other Europeans. Instead, the European national movie industries attract domestic audiences, and Hollywood movies still prevail in terms of market share in most European countries. Although lately, German movies such as “The Lives of the Others” and “The Downfall” have reached admission peaks throughout Europe, German films do not show consistency in gaining more than marginal market shares in export markets.

Like in physical product markets, in cultural industries, a well-known brand is a sales multiplier (Ullrich 2006). For instance, the book market regards some famous authors as “brands”; in the field of art exhibitions, the “Guggenheim Museum” has expanded to six branches worldwide by now, and when the New York “Museum of Modern Art” lent its impressionists to the “Berlin Museum” in 2007, the “MoMa” name was featured prominently (Suchsland 2007). In the market for motion pictures, movies can appear more attractive to consumers if made by a well-known producer who, like a brand, stands for a certain style, a particular atmosphere or a well-known set of topics and attitudes. Then, films that carry a well-known producer’s “brand name” have a head start in generating demand.

Against this background, we address the following research questions: how can producers design film projects successfully to create a “brand name” and better profit from industry growth? Are there ways to boost a movie’s success prospects in export markets prior to movie release, at the stage of movie production? Are these ways feasible without jeopardizing domestic performance?

The purpose of this paper is to clarify these questions to contribute to a more sophisticated understanding of motion picture success factors in an intercultural context. To profit from the growth potential of domestic and non-domestic markets, it is important to comprehend why films perform differently at home and abroad. However, movie producers can rarely build on systematic research when attempting to customize movies to different cultural settings (Hennig-Thurau, et al. 2004). We combine and expand two strands of research: the economic approach to movie performance, and the team diversity approach to team performance. We argue that movies need to provide a certain cultural familiarity and identification potential to their audiences, so that these understand what they are offered, while still being provided with sufficient novelty to enjoy it. We expect that (1) the composition of the movie team – as the basis for contributing different

cultural backgrounds, creativity and talent to movie creation, and as a highly visible movie ingredient – as well as (2) essential film characteristics, like set locations or storyline, must suit audiences not only in the home market, but also in culturally diverse export markets. We suggest that capitalizing on diversity in these two input categories helps providing points of reference to diverse audiences. Then, a movie is likely to succeed also elsewhere than in its domestic market.

The paper is organized as follows: in the next section, we review the literature on movie (export) performance and on team diversity, particularly in a cultural context. Using a sample of German top-ten movies, we test hypotheses on the relation of team composition and movie characteristics to a movie's domestic and export performance. We also address the relation of composition and characteristics to total performance (section 3). In section 4 we describe our data and methods, in section 5 we report the results. Section 6 concludes, offering managerial and research implications.

2 Theoretical Framework

2.1 *Cultural Industries and Determinants of Movie Exports*

The cultural industries are a promising field for cultural, social and economic research for several reasons. First, they are a significant arena for the exchange of meanings. Their function as means of communication and their potential for manipulation continue to be keys to understanding modern societies. Second, they provide an exciting example for several contemporary socio-economic trends: for instance, many are at the forefront of the broad changes in the markets for information goods (Eisenberg et al. 2006). Third, they show tremendous growth rates worldwide, largely in the production of mass media content such as movies. Accordingly, they have been termed “the new global growth industry” (Roodhouse 2004). Policy-makers often expect them to be drivers of economic growth and employment – an appealing prospect in particular for de-industrialising urban areas in Western economies that sometimes already boast thriving cultural scenes (Eisenberg et al. 2006).

Throughout Europe, the star of the national motion picture industries has risen. In the 25 European countries, in 2006, European movies reached a market share of 31.2% of the 926m admissions registered. This figure has grown from a 22.9% share in 2000, and has been on the increase since the 1990s (German Federal Film Board (FFA) data). In the 1990s, film-makers like Luc Besson in France, or Sönke Wortmann in Germany, started moving towards popular genres and narratives previously considered the domain of Hollywood (Bergfelder 2005). Yet, despite

their popularity in their home markets, the export success of European countries' movies is limited. Focusing on the German movie industry, in 2006, German movies hit a market share of 25% in their home market and 4% in the other European markets (FFA data). Although recently, German movies such as "The Lives of the Others" have reached admission peaks throughout Europe, German films do not show consistency in gaining more than marginal market shares in export markets.

Studies on factors that determine movie export success concentrate nearly exclusively on U.S. movies. These studies set forth political, economic, sociological, and cultural reasons to explain success (Elberse and Eliashberg 2003, Lee and Bae 2004, Litman 2000, Seagrave 1997).² Some studies address the assumption of a "cultural discount" factor that results from cultural distance between the exporting and the importing country (Lee and Bae 2004). As Hutzschenreuter and Voll (2008) point out, during international expansion, most difficulties for the internationalizing firm are created by distance, and distance exists also in the cultural sense. The concept of "cultural distance" remains difficult to measure. "Cultural distance" commonly refers to any aspect in which "cultures differ from each other" (Hutzschenreuter and Voll 2008) and is closely associated with the concept of psychic distance. Psychic distance is defined in terms of differences in language, education level, economic development, political system, or religion that influence trade-flows between countries (Arora and Fosfuri 2000, Boyacigiller 1990, Dow and Karunaratna 2006, Goerzen and Beamish 2003, Johanson and Vahlne 1977, Kogut and Singh 1988, Shenkar 2001). In the movie industry, the "cultural discount" factor stands for movies' reduction in value in export markets; the reduction occurs since audiences prefer domestic movie entertainment because it shares their cultural values and native language (Lee and Bae 2004, Oh 2001). Craig et al. (2005) observe that U.S. films perform better in countries that are culturally close to the U.S. Marvasti and Canterbury (2005) find that cultural variables like education, religion, and language in export markets influence U.S. movie exports. Yet, most analysis has been circumstantial, ignoring the baseline: the actual movie product.

Even for German movies' domestic success, studies are few and have produced conflicting results (Hennig-Thurau and Wruck 2000, Jansen 2002, Meiseberg et al. 2008),³ which does not facilitate defining criteria for export success.

² Political reasons can be governmental promotion of the movie industry's and national interests ("strategic trade"). Economic reasons can be inadequate foreign protectionist and subsidization policies; advantages of a large home market; the know-how to maximize the present value of profits across exhibition windows, which renders superior budget flexibility; or the "success breeds success" principle when domestic success signals quality to foreign audiences and serves as a telling basis for the allocation of distribution budgets. Sociological and cultural reasons can be the prevalence of the English language or general fascination with U.S. products.

³ Some studies forward movie quality and symbolism as success factors, others stress the impact of successful actors and directors, large budgets and positive reviews. Other results indicate that stars are insignificant, but that team structure, social networks, financing, and marketing influence success.

[Insert Figure 1 here]

For advancing a framework for international success in the cultural industry of motion picture entertainment (figure 1), we first note that cultural goods are non-material goods, directed at a public of consumers for whom they generally serve an aesthetic or expressive, rather than a clearly utilitarian function (Hirsch 1972). Movies are content products: each film's content is unique, an original creation that differs in important aspects from all other films (Lee and Bae 2004). As the composite of numerous factors like storyline, directing, acting, music, and color, movies are a creation of the cultural context in which they are developed. "Cultural context" refers to the values, customs, mores, and institutions of the environment in which individuals operate,⁴ and films inevitably reflect the producers' vision, the writer's view, and convey the actors' interpretation of the script (Craig et al. 2005). Each factor can have a favorable or unfavorable influence on the movie's success in export markets. In this context, the strength of Hollywood movies in Europe has been explained by the closed textuality of European countries' films. Unlike comparatively polysemous, "open" U.S. films, European films require a culturally more competent viewer (Bergfelder 2005). This characteristic limits movie access to foreign audiences. Thus, we suggest that the cultural familiarity a particular movie offers to foreign audiences is a crucial determinant of its export success: little familiarity results in low export returns.

Accordingly, the expected returns of movie exports can be modeled in a gravity-iceberg model.⁵ Gravity models assume significant transport costs for overcoming spatial distance. Although movie transport costs are negligible, costs from cultural distance occur: psychological costs that audiences associate with consuming a film from a different cultural context are distance costs that affect export success increasingly negative the larger the distance.

Following Samuelson's (1954) iceberg model, X_{ijn} is the value country i receives from exporting movie n to country j . This value "melts down" from x_{ijn} (the movie's "real" value) because there are costs of cultural distance between i and j . The meltdown metaphor illustrates the inverse relation between cultural distance D_{ij} and export success. The meltdown is a weighted average of the effect of all distance variables that influence movie n 's success in the j th country:

$$X_{ijn} = \sum_{m=1}^M e^{-t_{ijm}} D_{ijm} x_{ijn} \quad , \quad (1)$$

⁴ As a "blueprint" for ways to (inter)act, culture determines the perception and interpretation of phenomena, metaphors, icons, and goods. Cultural references in films, for U.S. lifestyle e.g., may include traits and habits (a concern with cleanliness, a fast-paced lifestyle, etc.), role models, casual clothes, sports like baseball, or fast food (Craig et al. 2005).

⁵ Movie characteristics share gravity model assumptions like imperfect competition due to economies of scale in production or distribution; for a related model, see Marvasti and Canterbury (2005).

with M independent cultural distance variables and t_{ijmn} as the weight of the m th variable in the j th importing country for movie n .⁶ Due to the nature of meltdown variables, we assume that

$$\sum_m e^{-t_{ijmn}} D_{ijmn} < 1 . \quad (2)$$

In Bergstrand's (1989) gravity equation and Krugman's (1995) location model, exports are positively related to the purchasing power of countries, but inversely related to distance. Introducing the iceberg effect, the gravity-iceberg export model becomes

$$X_{ijn} = \left[k \left(Y_i Y_j / D_{ijn}^b \right) \right] \left[\sum_{m=1}^M e^{-t_{ijmn}} D_{ijmn} x_{ijn} \right] , \quad (3)$$

where X_{ijn} are country i 's movie receipts from country j for movie n , Y_i , Y_j is the per capita income in each country, D_{ijn} is the general distance (language, politics, religion etc.) between i and j that consumers anticipate to perceive in movie n . b is an exponent of about one. k is a coefficient of the term in brackets. Export value depends on market sizes and cultural distance. The market wealth effect is multiplicative. Exports are inversely related to distance, depending on the size of b . Cultural effects are also multiplicative. Conform to the literature, equation (3) is transformed:

$$\ln X_{ijn} = \ln a_{ijn} + k \ln G_{ijn} + \sum_{m=1}^M -t_{ijmn} D_{ijmn} + \xi_{ijn} , \quad (4)$$

with $\ln G_{ijn} = [(\ln Y_i + \ln Y_j) - b \ln D_{ijn}]$. a_{ijn} is a constant replacing x_{ijn} in equations (1) and (3). The last term is an error term with a statistically determined distribution.

Country i 's total value of movie exports is given by $\sum_{j=1}^J \sum_{n=1}^N X_{ijn}$.

To promote export success, *producers can influence only one term in the model*: the cultural distance D_{ijmn} that audiences expect to surface in movie n . From the producer's perspective, all other terms are constants. Thus, we analyze how producers can act on the M cultural variables – by choosing team members and film characteristics in a way that reduces psychological costs – to enhance success.

We suggest that the first input category for reducing psychological costs is cultural diversity in the movie team. Cultural diversity in the team brings various backgrounds and skills to the table, enhances creative input for movie creation, and provides a recognition factor to different audiences (foreign actors may increase interest in the movie in their home markets e.g.).⁷ The second input cate-

⁶ Cultural variables M may include aspects like movie character traits and appearance, socially expected behaviour, the movie's topic, style, use of symbolism, sets etc., that provide familiar cultural references to some audiences and fail to meet the expectations of others.

⁷ The mechanism is one where foreign team members have superior knowledge about their home markets that they can contribute to movie creation, which should lead to improved performance in those markets. More general, offering diverse movie elements can provide a larger variety of

gory is diversity in movie characteristics such as storyline and set locations. For instance, shooting a movie at different international sets can tie that movie to different cultures. If designed in consideration of these two input categories, a movie can bridge cultural differences and reduce individual psychological costs. Then, producers can create successful projects, build “brand name” value and better profit from industry growth. The role of team composition in making an attractive movie is elaborated further in the next section.

2.2 Performance Implications of Team Diversity

The management and academic press increasingly emphasize the importance of team diversity for team performance. Individual heterogeneity “refers to all types of relatively stable individual characteristics that might be salient in understanding behavior in the specific context at hand” (Boone and Witteloostuijn 2007 [259]). Approaches to categorizing diversity are made as two-factor approaches along the lines of deep-level underlying attributes and surface-level attributes. Deep-level attributes can be organizational and team tenure, functional background, educational background, attitudes, values and preferences, behavioral and social background, or personality. Surface-level attributes are readily detectable and can evoke stereotypes or bias, such as age, race, or gender. Both kinds of attributes can influence communication, collaboration, cohesiveness, affection, attribution, relationship and task conflict, norms, certainty, and cognition (for a review, see Horwitz and Horwitz 2007, Stewart 2006, or Williams and O’Reilly 1998). Thereby, they can have an effect on team performance.

The effects of diversity are categorized along three perspectives: the similarity-attraction paradigm (Tziner 1985), the self- and social categorization from social psychology, and the information processing perspective from management. The first perspective states that similarity on attitudes and values facilitates interpersonal attraction in dyadic relationships (Byrne 1997). The second suggests that following a cognitive process of hierarchical categorization, individuals have team membership preferences even without previous interaction with team members. The third offers that individuals have access to others with different backgrounds, networks, information, and skills. Then, externally available information helps avoiding the pitfall of groupthink (Hambrick et al. 1996). The first two approaches are relevant to team processes during movie creation and to moviegoers’ identification with team members (like actors or the characters they play). The third perspective highlights the creative input available in diverse teams that can be used for movie creation.

recognition factors and thus be more attractive for export market audiences than “typically German” movie input only.

Benefits of team diversity are categorized along the integration-and-learning perspective, the access-and-legitimacy perspective, and the discrimination-and-fairness perspective. The first suggests that skills and experiences that individuals develop as members of (cultural) identity groups are valuable resources for succeeding in the team's task. The second holds that markets are diverse themselves and that teams must match that diversity to gain access. The third claims that as an end in itself, diversity is a moral imperative ensuring fair treatment of all society members (Ely and Thomas 2001). The first perspective explains the importance of diversity for creative team processes in movie creation. The second is relevant to providing familiarity to different audiences.

Several contingency variables moderate how diversity influences performance: team type, task complexity, task interdependence, team size, interaction frequency and duration (Horwitz 2005, Stewart 2006). The first three variables stress the importance of team diversity for movie creation: movie teams are project teams. Project-type tasks are highly complex, interdependent tasks (Horwitz and Horwitz 2007). As the movie industry faces rapid obsolescence of products and is driven by the search for novelty, a movie team must pull together diverse expertise and creative ideas to formulate adequate strategies for accomplishing its task. Input circulating in the team will be less redundant, thus more valuable, if individuals come from diverse backgrounds.

Summarizing these findings, diverse teams have higher potential for making an attractive movie. Diversity enhances creativity and innovation, which are principle reasons why cultural industries attract audience (Jones et al. 2005). Following the attributes described in the literature, team member attributes relevant to movie creation can be nationalities (as a proxy for cultural backgrounds), industry tenure, social network resources, education, status (stars vs. unknown members), and demographic variables. In the film industry, the team is a highly visible product component. Thus, apart from influencing team processes, diversity influences consumers' perceptions of the product.

We expect that deep-level diversity determines creative potential and is most relevant to movie production (for effects and benefits, see similarity-attraction, categorization, information processing, and integration-and-learning perspectives). Yet, the deep-level attribute of diversity in culture is also relevant to movie consumption, because it offers familiarity for export markets. The surface-level attributes will influence consumption by providing identification potential to diverse audiences (similarity-attraction, categorization, and access-and-legitimacy perspectives).

The general hypothesis is: $\text{Performance}_{np} = f(\text{Deep_Level_Diversity}_n, \text{Surface_Level_Diversity}_n, \text{Film_Characteristics_Diversity}_n)$, where n stands for a movie and p for market boundaries (domestic, export, total). Specific hypotheses are developed in the next section.

3 Hypotheses

3.1 *Team Level: Deep-Level Diversity*

Culture. Based on the proposition that different cultures provide different distributions of skills, knowledge, views, norms, values, and socio-cultural heritage and that the correlation of skills of two individuals from the same country is likely to be larger than the correlation between two individuals from different countries, research finds evidence for diversity benefits in terms of ideas generated and of solution quality (Watson et al. 1993). Lazear (1999) argues that gains arise when skills and knowledge sets are disjoint, i.e. culture-specific, when these sets are relevant to one another on the team, and when they can be learned by other team members at low cost.

Diverse cultural backgrounds enlarge the potential for incorporating different cultural markers or styles, i.e. specific ways to dramatize and visualize stories: “Hollywood movies move; European movies linger; Asian ones sit and contemplate” (Miller et al. 2001). Cultural markers can be expressed through shared meaning, communication style, and dialects or languages (Larkey 1996). Having superior knowledge of their home markets, foreign team members can help increase attractiveness of the movie for their home market audiences. In general, diverse movie elements may provide more recognition factors to different individuals than offering all-German movie input. Blending diverse individuals to capitalize on their cultural identities can thus increase box-office success in export markets. Yet, domestic success may decrease when the domestic audience’s familiarity with the film is reduced. One effect may prevail for overall performance.

H1: *Cultural diversity within the movie team*
a) negatively influences the movie’s domestic success,
b) positively influences the movie’s export success, and
c) influences its total box-office performance.

Industry Tenure. The distinction between newcomers and old-timers is particularly relevant in temporary structures with intended short life spans, where teams continually cycle and recycle. Newcomers enhance exploration, innovation, and the chances of finding new creative solutions to tasks. Old-timers increase exploitation, inertial behavior, and resistance to new solutions (March 1991). Tenure heterogeneity thus heightens chances that teams reasonably challenge past practices and avoid status quo commitment. The balance between exploitation and exploration is essential in cultural industries, where “consumers need familiarity to understand what they are offered, but they need novelty to enjoy it” (Lampel et al.

2006). To satisfy the “novelty” part, innovation is crucial because movies have short life cycles and non-repeated consumption patterns. We expect that the range of skills, perspectives, and sets of contacts offered by tenure diversity heightens the probability that a team finds an adequate exploration-exploitation balance. Also, mixed teams may be more appealing to consumers, since experienced members offer a recognition factor, and fresh faces provide novelty.

H2: *Tenure diversity within the movie team positively influences the movie’s a) domestic success, b) export success, and c) total box-office performance.*

Social Network Ties. In project-based industries, organizational forms such as networks may favor innovation and creativity (Guimerà et al. 2005). Creativity is not only part of individual talent and experience, but results from a social system whose members amplify or stifle one another’s creativity. Creativity aids problem-solving, innovation and aesthetics in a movie and is spurred when different ideas unite or creative material in one domain inspires fresh ideas in another (Guimerà et al. 2004). Team members that entertain many ties outside the team have better chances to obtain new creative input and know-how, which in turn helps making the movie attractive (“ties” may be friendships, collaboration or common membership (Newman 2001b)).

One particular form of social organization that has received great attention for its ability to influence creativity and performance is the “small world network” (Uzzi and Spiro 2005). The term denotes a network structure which features two usually opposing elements: the network is both highly locally clustered, i.e. the network consists of groups of actors and within each group, most or all actors are connected, and it has a short path length, i.e. a small mean geodesic distance of all pairs of actors between which a path exists (Watts 1999a, b). “Path” means that actors are linked either directly or via a chain of contacts of other network actors.⁸ The more a network exhibits characteristics of a small world, the more actors are directly linked or connected by persons who know each other through past collaborations or who have third parties in common. Uzzi and Spiro (2005) argue that the small world conditions enable creative material in separate clusters to circulate to other clusters and to gain the kind of credibility unfamiliar material needs to be regarded valuable and productively used by another cluster. As Nobel laureate Linus Pauling states, who attributed his creative success not to his immense brainpower or luck, but to diverse contacts: “The best way to have a good idea is to have a lot of ideas” (cited in Uzzi and Dunlap 2005).

Research has determined fields which are subject to small world networks and found scientific collaborations, the Hollywood actor labor market or production teams in business firms (Uzzi and Spiro 2005). Examining scientific co-authoring, Newman (2001a) draws the conclusion that small worlds account for how quickly

⁸ This idea has been illustrated by Milgram’s famous theory of “six degrees of separation” (Milgram 1967).

ideas fly through disciplines. He reformulates the small world theory for bipartite networks, meaning there are two different sets of actors, such as movies and movie actors (Albert and Barabasi 2002; Watts 2004). Bipartite networks are distinctive in that all network actors are part of at least one fully linked cluster, also called fully linked clique (Uzzi and Spiro 2005). As Fig. 2 illustrates, the network is made up of these cliques that are connected to each other by actors of multiple team memberships (Meiseberg and Ehrmann 2008). The movie industry qualifies as an example par excellence of such a small world featuring a bipartite network structure (Marchiori and Latora 2000; Newman 2000).

However, advantages may hold only up to a threshold of connectivity, after which they turn negative as ideas in the network become homogenized; then, cohesiveness leads to sharing common rather than novel ideas (Uzzi and Spiro 2005). High levels of interconnectedness bring about that individuals behave like a group rather than like a set of individuals (Guimerà et al. 2004). In case of many connections between a member's contacts, creative input may be less valuable as others have similar input at their disposal. Hence, blending well-connected members with less connected ones that provide original input should increase creative potential. Then, movie creation can profit from diverse knowledge and ideas from creative personnel that are not in turn directly influenced by one another. Thus, diversity in connectivity helps differentiate the movie from its competitors and enhances performance.

H3: *Connectivity diversity within the movie team positively influences the movie's a) domestic success, b) export success, and c) total box-office performance.*

Educational Background. Heterogeneity in educational backgrounds fosters a broad range of cognitive skills, abilities and perspectives to be applied to problem-solving (Horwitz 2005). Bantel and Jackson (1989) find that educational diversity positively influences innovativeness. Carpenter and Fredrickson (2001) report that international experience and diverse educational backgrounds are positively related to a firm's global strategic posture. Yet, wide differences in education can increase task-related debates and turnover. However, reviewing previous research, Mannix and Neale (2005) find that differences in education are more often positively related to performance.

H4: *Educational background diversity within the movie team positively influences the movie's a) domestic success, b) export success, and c) total box-office performance.*

3.2 *Team Level: Surface-Level Diversity*

Status. As early as in 1938, MGM producer Hunt Stromberg described that the big problem in filmmaking was holding the balance between “formula”, meaning giving the public what it wants, and “showmanship”, meaning offering something novel, something truly different (Bordwell et al. 1985). Actors with a considerable fan community (“stars”) satisfy the “formula” part as they serve a certain set of audience expectations based on previous textual experiences. Thereby, they provide familiarity, used by movie promoters and audiences to assess a movie prior to consumption. Thus, stars add a quasi-search quality to movies and help booking the movie on opening screens. Initial screen coverage is important as over the first weeks, demand for a movie becomes obvious and follow-up contracts for screens are adjusted. Initial coverage forms the basis for bandwagon effects: subsequent growth in demand depends on the demand level already attained. Apart from contributing creative talent and professional performance to movie creation, stars can also promote their works professionally, and they attract media attention. Yet, as audiences appreciate well-known and new faces – according to Stromberg’s quote – status diversity should enhance performance.

H5: *Status diversity within the movie team positively influences the movie’s a) domestic success, b) export success, and c) total box-office performance.*

Age. Age-diverse teams can appear more appealing for consumers because they offer identification potential to a broad range of individuals. For team processes, age diversity may have a negative impact on members’ perceptions of their opportunity to contribute ideas (Zenger and Lawrence 1989) and decrease creative potential articulated. Yet, age-diverse members provide different perspectives and experiences that improve decision quality. We therefore suggest that positive effects of age diversity prevail.

H6: *Age diversity within the movie team positively influences the movie’s a) domestic success, b) export success, and c) total box-office performance.*

Gender. Mixed teams can offer identification potential for different individuals. For team processes, mixed teams have been found to perform both better than single-sex teams and worse due to intrateam conflict. Rogelberg and Rumery (1996) observe that teams with a lone female outperform all-male teams, suggesting that gender diversity adds to quality. In general, there seems to be a consensus on the potential of gender diversity in teamwork, as diverse teams more likely generate a diverse set of approaches to problems (Horwitz 2005).

H7: *Gender diversity within the movie team positively influences the movie’s a) domestic success, b) export success, and c) total box-office performance.*

3.3 *Movie Characteristics Diversity*

Sets. In the time of silent intertitles, it was common to replace characters' names or locations with names or places the target audience was deemed more familiar with. Today, culturally specific references are frequently exchanged in translation for more or less similar examples from the target context (Bergfelder 2005). Thus, familiarity provided by set diversity (shooting a movie in different countries) can enhance export performance. Yet, it may decrease domestic performance when offering less familiarity for the domestic audience.

H8: *Set diversity*

- a) negatively influences the movie's domestic success,*
- b) positively influences the movie's export success, and*
- c) influences its total box-office performance.*

Cross-Cultural Meaning of Movie Content. Comedy is a genre that tends to be embedded in a particular culture, since the concept of humor and preferences for its forms like sarcasm, irony, slapstick, ridicule, and situational humor, vary between cultures (Zandpour et al. 1992). The appreciation of a particular national type, e.g. British humor, is not universal. Palmer (1995) argues that humor is based on a situation of incongruity that often implies a disregard of customs or social rules. Thus, humor requires a situational knowledge of the appropriate, socially expected behavior. Thereby, it is culturally local. We expect that the meaning of comedy genre films is strongly bound to the domestic culture.

H9: *Comedy genre*

- a) positively influences the movie's domestic success,*
- b) negatively influences the movie's export success, and*
- c) influences its total box-office performance.*

4 **Sample, Variables, and Methods**

4.1 *Sample*

The data contain 160 films that were released in the closed interval 1990–2005. We choose 1990 as the starting point for the analysis since the reunification of Germany means a structural breach in the data. For each year, we select the top

ten German films as regards admissions in German cinemas from the FFA database. The sample is pared down as we exclude seven films with abnormally high admissions (higher than the mean plus four times the standard deviation). The movies produced in the period of 1990-1992 form the initial network for the connectivity variable. The testing of hypotheses is done using 123 films released in 1993-2005.

4.2 *Dependent Variable*

We use box-office success in terms of a movie's total admissions as an objective performance measure.⁹ The variables are labeled DOMESTIC_SUCCESS for German admissions (data from the FFA), EXPORT_SUCCESS for admissions in European export markets (data from Lumière), and TOTAL_SUCCESS for domestic and export market admissions combined.

4.3 *Independent Variables*

Culture. For the independent variables, we concentrate on the movie's "inner team" to provide a meaningful representation of the cast. We take the producer, the director, the camera person and the three leading actors into account. Nationality is used as a proxy for cultural identity (data from the Filmportal database and the Internet Movie Database (IMDb)). Calculating the Teachman index of diversity in nationalities, we generate the diversity variable CULTURE.

Tenure. Tenure duration is measured as the number of years a team member has been active in the industry since her first hit movie. Concentrating on the German box-office – as a common basis to judge experience, since most team members are Germans – we define a "hit" as a film with at least 400,000 admissions. This number implies a threshold value that only the top 20% of German films released in 1990-2005 reached. As the Teachman formula best measures categorical data and to provide consistency in using the same formula, tenure data are organized in experience categories (zero to three, four to six, seven to nine, 10-12, 13-15 years). The variable is TENURE.

Connectivity. A network consists of a graph and additional information on vertices (here, network actors or movies) or lines (ties). An undirected line is an "edge" (an unordered pair). A simple undirected graph consisting of edges is used for the analysis. Within the industry's bipartite structure, movies on the one hand

⁹ Today, the box-office success accounts for a minority of film revenues only, but it is highly correlated with revenues from other media as it establishes the film's value for subsequent windows and for licensing, merchandising, and entertainment products (Craig et al. 2005).

and the team functions of director, producer, camera person and the three leading movie actors on the other hand, are two sets of vertices. An edge is drawn if a person has participated in a particular film, constituting a vertex pair (movie A – person B). Within network logic, vertices can only be related to vertices in the other set. This structure is also called “two-mode”. To construct the connectivity variable, we compute the top-ten German movies a team member has contributed to using the Pajek 1.24 program, which is used for analyzing and visualizing large networks. In doing so, we assume that contacts to members of successful productions are particularly important sources of know-how and information. Since the number of previous team memberships centres on zero to four, with few individuals having 15 or more, categorizing the data seems inappropriate. We use the coefficient of variation to define the variable CONNECTIVITY.

Educational Background. We check whether the team members have received a film-related education. Data are taken from Filmportal, IMDb, and team members’ personal homepages. The Teachman index variable is EDUCATION.

Status. We take the three leading movie actors and, in line with Jansen (2002), categorize those that have been long-time well-known, are “celebrities”, or have starred in a film with at least 400,000 admissions, as successful. Counting the number of previously successful members, we compute the Teachman index variable STATUS.

Age. Age data for members are organized in categories (≤ 10 , 11-20, 21-30, 31-40, 41-50, 51-60, 61-70, 71-80). Data are collected from Filmportal and IMDb. The Teachman index variable is AGE.

Gender. Team diversity for the variable GENDER is measured using the Teachman index.

Set Diversity. Set diversity is measured using the number of countries where a movie was shot. Since movie sets average at three, with a standard deviation of 17, we use a logarithm for locations. Data are taken from Filmportal, IMDb, and press releases. The variable is SET.

Cross-Cultural Meaning of Movie Content. A binary variable indicates if a film belongs to the comedy genre. Data for the variable CONTENT come from FFA, Filmportal, and IMDb.

4.4 Control Variables

Critics’ Reviews. In Germany, the Filmbewertungsstelle Wiesbaden (FBW) acts as an important critic: they can award the “recommended” or the “highly recommended” certificate to signal valuable movie content. The binary variable REVIEWS displays whether a sample movie holds the (better) “highly recommended”-certificate (FBW data).

Movie Awards. Awarded films are easier to market and often get a second or third run in movie theatres. Information on movie awards (we consider the Ger-

man and the Bavarian Movie Award as very important awards) is collected from www.kino.de and IMDb. The variable is AWARDS.

Budget. High-budget films can afford well-known and talented personnel and expensive sets and digital manipulations. Budget data are not publicly available for the sample movies. We expect human resources are the biggest cost block in budgets: budget = f (personnel). Using Filmportal, we count the number of people employed in movie production. The sum BUDGET is a budget proxy.¹⁰

4.5 *Methods of Statistical Analysis*

Team Composition. When data are categorical or the utility of values is irrelevant, Teachman (1980) recommends an entropy-based diversity index to measure heterogeneity. This measure is defined as:

$$H = -\sum_{i=1}^S P_i (\ln P_i)$$

where H is the quantitative heterogeneity measure of the system, P_i is the probability of finding the system in state i , and S is the number of categories of a dimension on a team. The greater the distribution across different categories, the higher the diversity score.¹¹ For interval data, Allison (1978) suggests that the coefficient of variation (the standard deviation divided by the mean) provides the most direct and scale invariant measure of dispersion. We use this coefficient to measure connectivity diversity, since due to their distribution, categorizing data seems inappropriate.

Regression Model. We use a stepwise Ordinary Least Squares Regression (OLS) and control for absence of multicollinearity, for homoscedasticity and normal distribution of disturbance terms, using Variance Inflation Factors (VIFs) and

¹⁰ We could obtain budget data for a third of the sample. The correlation between budget data and the budget proxy is as high as 0.32 ($p < 0.03$), which validates the proxy. Unfortunately, we cannot split budgets into production and marketing budgets, as data is unavailable. We also control for age ratings (age restrictions on movie admission), release seasons, release months, for important other events like European soccer tournaments and Olympics that might draw attention away from cinemas; for the number of released German movies, for German movie exports, for American import movies, in several time frames (as proxies for competition) (not significant). We control for the size of the production company and for the initial distributor, the movie duration in minutes and, for home success only, for GDP, population, number of screens and of multiplexes, and movie ticket prices (no results). We further control for genres. Family films enhance domestic success, drama genre limits domestic success (no export effects). As the number of movies and of team members that have received international awards (Cannes, Venice) is marginal, we do not include international awards in the analysis.

¹¹ For one foreign team member and five Germans, the score is 0.45; if there are two foreigners, the score is 0.64. Teams are usually made up of Germans only, or of Germans and one to three foreign members.

correlations, White- and Newey-West-Tests and the Kolmogorov-Smirnov-Test. VIFs are all lower than two. Both the White- and the Newey-West-Tests show heteroscedasticity for Models 1-3. So, the premise of constant variance of the disturbance terms has to be rejected. We employ heteroscedasticity-consistent error estimates using Newey-West consistent covariances. Furthermore, we use two-stage least squares (2SLS) to consider the possibility that domestic box-office success may have a signaling function in terms of movie attractiveness, and thus movie performance, for export markets.

5 Results

Table 1 shows OLS results. First, we introduce the controls (Model 0). Then, we test the impact of the independent variables on the three dependent variables (Models 1-3).

[Insert Table 1 here]

Many hypotheses are supported: as regards the deep-level diversity attributes, team diversity in culture enhances export performance. Yet, it does not affect domestic performance, and its effect on total performance is positive. Thus, providing audiences with a culturally diverse cast will increase export and total success, without jeopardizing domestic success (H1). Tenure diversity (H2) and connectivity diversity (H3) increase domestic and total performance without decreasing export performance. Diversity in educational backgrounds marginally influences domestic performance, but does not seem too relevant to box-office success (H4). For the surface-level attributes, status diversity negatively influences export and total success, but does not affect domestic success (H5). Age diversity enhances domestic and total performance (H6). Gender diversity negatively affects domestic and total performance (H7). Set diversity enhances export success and total performance (H8). Along with the positive impact of cultural diversity in the team, the latter result strongly supports the proposition that movies that incorporate different features better meet the demands of diverse audiences. The strongest influence of the independent variables on export success comes from diversity in sets (standardized coefficient of 0.31), status (0.24), and culture (0.11). Movie content is insignificant (H9).¹²

¹² Some foreign audiences value cast members from their own country very strongly (e.g. a *French* actor significantly enhances movie success in *France*). This effect occurs for France (21% of the sample's export admissions in Europe) and Poland (8%). It does not occur for Britain (6%), Italy (13%), or Spain (15%); however, the latter markets favor diverse input over all-German productions. U.S. team members enhance success in all these export markets. We do not further analyze effects on a single-market-basis as the sample size – as well as the number of overall exported movies on which complete data would be available – is rather limited. Of foreign team members, the largest groups come from the U.S. (17%), 14% from Britain, 11% from Poland, 5% from France.

The control AWARDS is positively significant across markets. The importance of REVIEWS on a domestic (and total) scale, but not for exports, may be explained by the fact that the FBW is less known and thus less important abroad. The budget proxy may be insignificant if it is not close enough to real budgets. Or, possibly, audiences expect lavish sets and special effects to be of U.S. origin anyway, so expensive inputs are not rewarded in proportion to what is spent.¹³ Table 2 shows descriptive statistics, table 3 presents the results and indicates the directions of the variables' impacts on success.

[Insert Tables 2 and 3 here]

6 Limitations and Discussion

6.1 Main Restrictions of the Study

We cannot separate the effects of diversity on the production level (on creative team processes) and the consumption level (on audiences' perceptions of the team). We rather take an educated guess where each diversity kind exerts the stronger influence. Further, external result validity requires a randomly chosen sample. Here, the sample is chosen according to the movies' box-office performance, because the analysis focuses on successful productions. Moreover, we only regard "survivor" movies that were actually released, as there are no data on movies that died in production. This survivor bias is a common restriction to performance studies.

¹³ We further consider that domestic box-office success may have a signaling function in terms of movie attractiveness for export markets. Then, domestic success would be an explanatory variable for export success. Potential simultaneity issues would be involved since the other independent variables that affect export performance are expected to affect home box-office success as well, so OLS would lead to inconsistent coefficient estimates. To correct for this issue, we use 2SLS, where domestic box-office success is estimated based on the other independent variables. The estimated values for domestic success are then used in the second stage of the regression (Heinrich 1998; Lang et al. 2009; following the order condition required by 2SLS, we drop the control FBW-certificates from the export equation). The first stage is: $\text{Domestic_Performance}_n = g(\text{Deep_Level_Diversity}_n, \text{Surface_Level_Diversity}_n, \text{Film_Characteristics_Diversity}_n)$, where n stands for a movie; the second stage is $\text{Export_Performance}_n = h(\text{Domestic_Performance}_n^{\wedge}, \text{Deep_Level_Diversity}_n, \text{Surface_Level_Diversity}_n, \text{Film_Characteristics_Diversity}_n)$, where $\text{Domestic_Performance}_n^{\wedge}$ is the estimated value from the first regression. Domestic success does not have a significant impact on export success. We obtain identical results as regards signs and significance levels for cultural diversity in the team and in sets as in Model 2, and status diversity again has a negative impact (5%-level) on export success. Thus, we suggest results are robust.

6.2 Discussion

The purpose of this paper is to explore differences in the factors that determine the success of German movies at home and abroad. We build on a gravity-iceberg model that explains movie performance in export markets. The model shows that from the producer's point of view, there is *only one single term* in the model that can be directly influenced to promote movie success, which is the composition of the film team and of movie characteristics. From the producer's perspective, all the other terms are constants.

Following this insight, we suggest that producers can promote success prospects when (1) the composition of the movie team – as the basis for contributing different cultural backgrounds, creativity and talent to movie creation, and as a highly visible movie ingredient – as well as (2) essential film characteristics, like set locations or storyline, suit audiences not only in the home market, but also in culturally diverse export markets. We hypothesize that capitalizing on diversity in these two input categories helps providing points of reference to diverse audiences. We expect that particularly, cultural diversity (diversity in culture in the team, and in movie characteristics) will enhance export success.

We test specific hypotheses that are widely supported. Team diversity in the first of the deep-level attributes, culture, enhances export success, as does the first film characteristics variable, set diversity. Both variables have positive effects also on a movie's total success, and they do not decrease domestic performance. This finding highlights the value of diverse cultural input for movie performance.

Export performance is not affected by the three other deep-level team variables of tenure, education, and connectivity diversity. Tenure and connectivity diversity enhance domestic and total success. The idea is that deep-level diversity influences team processes: diversity in tenure implies more constructive conflict about creative tasks in movie production, because team members benefit from different experiences in the industry over time. Yet, intra-team conflict can also result in the adoption of “conservative” solutions: if an agreement on a creative, unorthodox solution cannot be found, tasks are done the “safe way”. Conservative solutions may appear “typically German” to consumers abroad, which could explain the absence of a positive effect of tenure diversity on export success. It may further be that the understanding of what an attractive creative solution is varies between countries (an example is “Run Lola Run” that was innovative in a way appreciated very much in Germany, but not abroad). Thus, as regards export success, spurring creativity in an arty way is an inferior strategy to reducing cultural distance by incorporating diverse cultural references. Connectivity diversity reduces the danger of “groupthink”: the movie can profit from diverse creative ideas. Again, creative input from the German film industry possibly appears “typically German”, so there is no positive effect on export success. Individuals that have been active in the industry for a long time tend to have a large network. Thus, the effects of ten-

ure and connectivity diversity complement each other in enhancing domestic and total, but not export, success.

As regards the surface-level attributes, status diversity in the team decreases export and total success, but does not affect domestic success. For export markets, well-known actors are important to signal movie quality: in the sample, the correlation between the number of stars in the cast and export success is 0.389 ($p < 0.04$). Thus, stars reduce psychological costs of foreign movie consumption. Although the idea that the star system does not seem to be relevant in Europe has been supported for domestic film performance (Delmestri et al. 2005, Meiseberg et al. 2008), it obviously does not apply across borders. Then, producers must choose actors as a “formula” ingredient, as audiences do not reward “showmanship” experiments here.

The two other surface-level diversity variables, age and gender, influence domestic and total success. Surface-level attributes offer identification potential with the cast and the film characters. Age diversity provides identification potential to a broad range of individuals. Also, many films starring several generations are family entertainment, a genre that is usually popular. Possibly, the positive effect does not hold for export markets if these markets rather prefer domestic family entertainment. The negative effect of gender diversity may come from the fact that gender-diverse movies often belong to the drama genre. Possibly, drama genre has low appeal for entertainment-seeking audiences.

The second film characteristics’ variable, movie content, is insignificant across markets. Failure to export comedy may then rather be caused by a lack of production values, marketing, or adequate exhibition windows than by the genre’s cultural specificity. Summarizing these findings, our results support the cultural industries’ wisdom that producers can push market success when they blend familiar and novel elements.

Managerial Implications. Hennart (2007) highlights that the main source of supernormal profits in MNEs (besides luck) is superior management: putting in place the right organizational structures and strategies. On a (much) smaller scale, producers can use this insight and target international audiences more effectively by giving heed to diversity of movie features in a cultural context. A cast of individuals of different nationalities provides cultural familiarity to different audiences and increases international performance. Such a cast also increases diversity in tenure and industry network connectivity, which increases creative material available for movie creation and has positive effects on domestic success. For export success, apart from adequate selection of team members, cultural references can be provided by choosing non-domestic set locations. Further, well-known actors in the cast make movies appear more attractive abroad. By organizing projects accordingly, producers can handle the trade-off between homogeneity and heterogeneity, and integrate domestic and export orientation. Successful projects then support producers in creating an international “brand name”. As Swaminathan (2001) points out, “pioneering brands” tend to have long-term advantages when

consumers have imperfect information about product quality, as they do for movies.

An initial difficulty for producers is raising funds. Raising finance for movie projects is not for the faint-hearted: for every success story there are many failures, and the strategies and structures of financing arrangements are as numerous as the films that are made (Squires 2005). Rajan and Zingales (2001) argue that technological, regulatory, and institutional changes in recent years have caused a “financial revolution” that “has subject internal decisions to greater scrutiny, while making outside decisions easier. Unless there is a strong complementarity between assets in place and growth opportunities from a technological point of view, there is no reason why new opportunities should be undertaken [...] by the existing company”. Accordingly, the producer’s reputation becomes an important asset for attracting outside financiers. Squires (2005) explains that producers with a good brand name and strong project elements (lead cast, director) increase their chances of negotiating successfully and can sometimes even pre-sell distribution rights before production commences. These producers profit from increased budgetary flexibility during project realization, which further promotes the quality and attractiveness of the final product.

Research Implications. The advent of global markets, the rise of Europe-based centres of audio-visual production, new electronic distribution technologies, and an increase in the amount of cinematic material available to consumers making inroads on blockbuster audiences (Scott 2004), require producers to face paradigm shifts and meet (culturally) diverse moviegoers’ demands. Future research could explore implications for building a producer brand name in the context of different business strategies coping with industry changes, to help creating a „safer bet“.

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FIGURE AND TABLES

Fig. 1 The Value Chain of Movies from Production to Consumption in Export Markets

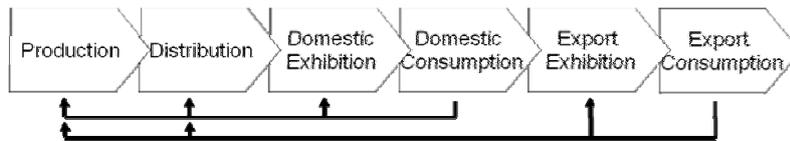


Fig 2 Schematic Representation of an Actor-Movie Network (following Uzzi and Spiro (2005))

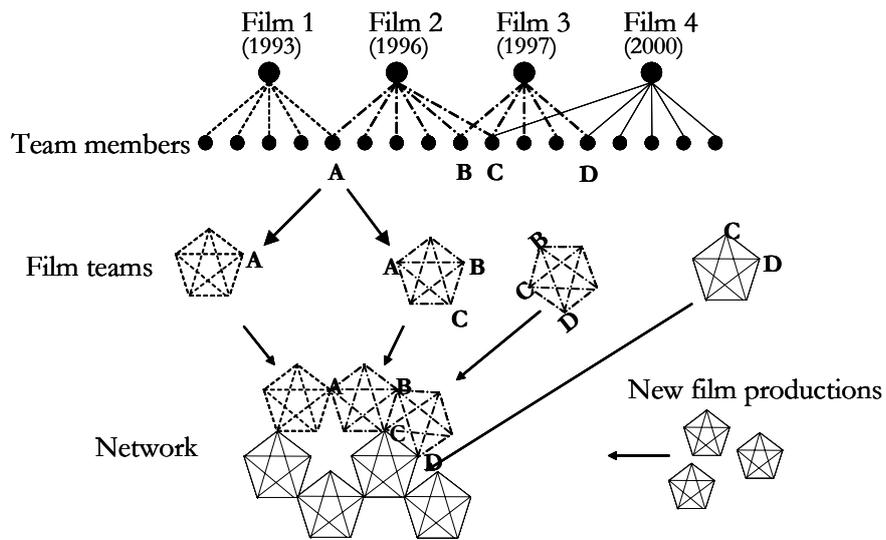


Table 1 Regression Results

	Model 0	Model 1	Model 2	Model 3
	Coefficient	Coefficient	Coefficient	Coefficient
	Std. Coeff.	Std. Coeff.	Std. Coeff.	Std. Coeff.
	(Std. Error)	(Std. Error)	(Std. Error)	(Std. Error)
Dependent	DOMESTIC	DOMESTIC	EXPORT	TOTAL

Variable	SUCCESS	SUCCESS	SUCCESS	SUCCESS
C	869923.29 (131344.89)	342939.50 (225375.52)	-600733.32* (352482.30)	53006.91 (216750.58)
CULTURE		15486.95 0.00 (255523.40)	714311.11* 0.11* (286256.95)	537161.41 [†] 0.12 [†] (303839.41)
TENURE		347115.96 [†] 0.14 [†] (182587.77)	355373.14 0.07 (367840.30)	828088.61** 0.23** (273460.25)
CONNECT- IVITY		516350.10* 0.22* (203843.39)	587995.27 0.12 (608148.59)	649557.09* 0.18* (251650.35)
EDUCA- TION		-306343.18 [†] -0.11 [†] (183538.62)	448893.01 0.08 (377935.81)	-250533.66 -0.06 (260595.40)
STATUS		-125368.55 -0.05 (187300.86)	-1285045.79** -0.24** (484642.04)	-821302.17** -0.21** (242950.96)
AGE		365235.23 [†] 0.14 [†] (211087.96)	226150.42 0.04 (338369.66)	655367.54** 0.16** (224384.60)
GENDER		-567477.52* -0.19* (257911.97)	-120616.78 -0.02 (459388.70)	-660560.92* -0.14* (305211.75)
SET		-228308.99 -0.14 (143842.99)	1046872.39* 0.31* (478846.01)	373439.42 [†] 0.15 [†] (198376.30)
CONTENT		237897.15 0.15 (176524.87)	-3921.99 -0.01 (263582.64)	47874.81 0.02 (176852.80)
AWARDS	218801.59* 0.25* (97685.59)	189208.65* 0.22* (95267.83)	612397.82 [†] 0.33 [†] (310846.37)	424385.85** 0.32** (134654.63)
REVIEWS	378645.05* 0.22* (161781.98)	353959.43* 0.21* (140350.55)	85639.65 0.02 (264703.15)	324667.60 [†] 0.12 [†] (181688.21)

BUDGET	6371.44 0.05 (13385.45)	8744.13 0.07 (12433.88)	-31355.50 -0.11 (39078.96)	-26956.78 -0.13 (19309.18)
R ²	16.20%	29.36%	40.36%	53.61%
Adj. R ²	14.09%	21.66%	33.86%	48.55%
F-Statistic	7.67	3.81	6.20	10.60
F-Value	0.00	0.00	0.00	0.00
D.-Watson	1.90	1.89	1.87	1.71
Significance Levels: † if p < 0.10; * if p < 0.05; ** if p < 0.01; *** if p < 0.001. N=123.				

Table 2 Descriptive Statistics and Pearson Correlations

	Mean	S. D.	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
1. DOMESTIC_ SUCCESS	1204559	823117	1.00													
2. EXPORT_ SUCCESS	534592	1740634	0.02	1.00												
3. TOTAL_ SUCCESS	1739151	2563751	0.60***	0.69***	1.00											
4. CULTURE	0.28	0.27	0.00	0.27**	0.23**	1.00										
5. TENURE	0.51	0.34	0.29**	0.30***	0.47***	0.01	1.00									
6. CONNECTI- VITY	0.63	0.35	0.27**	0.17 [†]	0.27**	-0.11	0.42***	1.00								
7. EDUCATION	0.30	0.32	-0.01	0.11	0.03	0.06	0.16 [†]	0.22*	1.00							
8. STATUS	0.29	0.32	0.05	-0.18*	-0.15 [†]	-0.14	0.17 [†]	0.29**	0.18*	1.00						
9. AGE	0.94	0.31	0.24**	0.25**	0.36***	0.18*	0.32***	0.18*	0.32***	0.02	1.00					
10. GENDER	0.38	0.27	-0.15 [†]	-0.13	-0.22*	-0.02	-0.04	0.17 [†]	0.06	0.25**	0.02	1.00				
11. SET	0.34	0.51	0.06	0.44***	0.40***	0.30**	0.33***	0.09	0.01	-0.06	0.18*	-0.22*	1.00			
12. CONTENT	0.46	0.5	0.03	-0.24**	-0.28**	-0.15	-0.16 [†]	-0.01	0.22*	0.21*	-0.05	0.22*	-0.29***	1.00		
13. AWARDS	0.62	0.94	0.34***	0.43***	0.49***	-0.15 [†]	0.28**	0.13	0.06	0.10	0.28**	-0.04	0.24**	-0.24**	1.00	
14. REVIEWS	0.36	0.48	0.32***	0.16 [†]	0.30***	0.05	0.19*	0.11	-0.06	0.14	0.08	-0.09	0.17*	-0.24**	0.33***	1.00
15. BUDGET	9.76	6.08	0.16 [†]	0.11	0.10	0.17 [†]	0.06	0.01	0.09	0.02	0.20*	-0.11	0.31***	-0.06	0.26**	0.22*

Two-tailed T-test. Significance Levels: [†] if p < 0.10; * if p < 0.05; ** if p < 0.01; *** if p < 0.001. N=123.

Table 3 Overview of Hypotheses and Results

<i>Category</i>	<i>Subcategory</i>	<i>Hypothesis</i>	<i>Domestic Success</i>	<i>Export Success</i>	<i>Total Success</i>
<i>Team Characteristics</i>					
<i>Deep-Level Diversity</i>	Culture	H1: Cultural diversity within the movie team a) negatively influences the movie's domestic success, b) positively influences the movie's export success, and c) influences its total box-office performance.		+	+
	Tenure	H2: Tenure diversity within the movie team positively influences the movie's a) domestic success, b) export success, and c) total box-office performance.	+		+
	Connectivity	H3: Connectivity diversity within the movie team positively influences the movie's a) domestic success, b) export success, and c) total box-office performance.	+		+
	Educational Background	H4: Educational background diversity within the movie team positively influences the movie's a) domestic success, b) export success, and c) total box-office performance.	—		
<i>Surface-Level Diversity</i>	Status	H5: Status diversity within the movie team positively influences the movie's a) domestic success, b) export success, and c) total box-office performance.		—	—
	Age	H6: Age diversity within the movie team positively influences the movie's a) domestic success, b) export success, and c) total box-office performance.	+		+
	Gender	H7: Gender diversity within the movie team positively influences the movie's a) domestic success, b) export success, and c) total box-office performance.	—		—
<i>Film Characteristics</i>					
<i>Set Diversity</i>		H8: Set diversity a) negatively influences the movie's domestic success, b) positively influences the movie's export success, and c) influences its total box-office performance.		+	+
<i>Cross-Cultural Meaning of Movie Content</i>		H9: Comedy genre a) positively influences the movie's domestic success, b) negatively influences the movie's export success, and c) influences its total box-office performance.			
<i>Controls</i>					
<i>Category</i>			<i>Variable</i>		
<i>Movie Awards</i>			Significant in Model 0-3		
<i>Critics' Reviews</i>			Significant in Model 0, 1, 3		
<i>Budget</i>					
Signs indicate the direction of a significant influences of an independent variables on a dependent variable.					