REPUBULIKA Y'U RWANDA
INTEKO NYARWANDA Y'URURIMI N'UMUCO

Rwanda Academy of Language and Culture

RALC

MARKETING STRATEGIES FOR THE PROMOTION OF CULTURAL AND CREATIVE INDUSTRIES IN RWANDA

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B2B	Business to Business
C2C	Customer to Customer
CAM	Current Art Market
CCI	Cultural and Creative Industries
CEM	Customer Experience Management
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CRM	Customer Relationship Management
DCF	Discounted Cash Flow
EICV	Enquete Integrale sur les Conditions de Vie
G2B	Government to Business
G2C	Government to Customer
GDP	Growth Domestic Product
INMR	Institute of National Museums of Rwanda
IPO	Initial Public Offer
MINEDUC	Ministry of Education
MINICOM	Ministry of Trade and Industry
MINIJUST	Ministry of Justice
MINISPOC	Ministry of Sports and Culture
NGO	Non-Government Organization
PPV	Pay Per View
PSF	Private Sector Federation
R&D	Research and Development
RAC	Rwanda Art Council
RALC	Rwanda Academy of Language and Culture
RDB	Rwanda Development Board
RLRC	Rwanda Law Reform Commission
RP	Rwanda Polytechnic
UGC	User Generated Content
UNESCO	United Nations Education, Science and Culture Organization
VOD	Video On Demand
WDA	Work Development Authority

1   INTRODUCTION

Art and entertainment are one of the key economic sectors that contribute to the global GDP, but also impact and improve cultures and societies in many and diverse ways. Art is part of every culture, and many cultures have found ways to make productive the vast riches contained in their cultures.

The arts are not new in Rwandan culture; in fact, they are very visible and form an important part of Rwandan cultural expressions and celebrations. Art and entertainment have always been embedded in major cultural celebrations in Rwandan history and tradition. For example, *'Igitaramo'* a major event at the royal court was marked by dances, poetry and ballet performances.

In Rwanda, today, artists still warm the life of many parts of the country, homes and events. Many of the official events have an artistic allusion, be it by the national ballet dance or even by the rhythms of a good poem. It is not uncommon to see big smiles and warmth at an event when a poet or cultural troupe entertains officials and guest alike.

Yet beyond those amazing and mind appeasing performances, the artists are often confronted to the other side of their profession: scarce revenues from their performances. In the world of Rwandan artists, there are many unanswered questions; the most frequently voiced out are *"how can we get a return on our creations and performances?" or "what can be done to protect our inventions and how to sell them?"*

Rwanda Academy of Language and Culture (RALC) and the Ministry of Sports and Culture (MINISPOC) have been working towards finding answers to the questions often raised by artists. One of the many ways in which RALC is responding to the challenges at hand is to improve the visibility of the local art on the market.

Cultural and Creative Industries (CCI) are vast and rich, they constitute a reservoir of jobs for the youth, promote a creative world, foster online economy, contribute to GDP and build attractiveness of cities. In Rwanda, cultural and creative industries are young, unskilled, unorganized, and operate in underground economy. Promoting them means focusing on three areas of focus: promoting sales, improving production processes and improving the product. These areas are three concepts on which marketing programs and planning focus. Yet marketing of cultural and creative industries is different from marketing any other product. For ordinary products, the customer is interested in utility and amenities provided by the product.

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The producer is interested in selling the product and maximizing the profit. In cultural and creative industries, the consumer is interested in the experience offered, the values promoted and the emotions provoked. There are no amenities to offer and the utility of an art or film is hard to define; hence, it is more difficult to market art. The artist and the art matter in the process. That is why both the artist, the art and art production process are linked in any marketing program of cultural and creative industries.

A marketing program focusing on improving the art making process, improving the quality of the art and selling the art has been proposed with 63 policy actions, targets and indicators across 5 years of implementation. Cultural and creative industries are both creative and artistic expressions of the artists as well as a business with clear growth metrics and management strategies. The proposed policy actions cover the trainings for skills improvements, market in depth research, mini-market surveys, customer satisfaction surveys, business trainings and marketing plans. They all focus on the user experience, relevance, quality product and profitability of the industries.

1.1. Clarifying definitions

1.1.1. Culture

In 1982, as part of UNESCO declarations on cultural policies, culture, in its widest sense, was defined as the whole complex of distinctive spiritual, material, intellectual and emotional features that characterize a society or social group. It includes not only the arts and letters, but also modes of life, the fundamental rights of the human being, value systems, traditions and beliefs (UNESCO, 1982).

It is a set of integrated patterns of knowledge, belief systems, behaviors, customs and arts manifested in the ways of life of a particular society and transmitted from one generation to another. Culture consists of language, ideas, beliefs, customs, taboos, codes, institutions, tools, techniques, and works of art, rituals, ceremonies, and symbols.

Article 3 of UNESCO declaration on cultural diversity gives way to the definition of cultural industries as it stipules that "cultural diversity as a factor in development widens the range of options open to everyone. It is one of the roots of development, understood not simply in terms of economic growth, but also as a means to achieve a more satisfactory intellectual, emotional, moral and spiritual existence" (UNESCO, 2002). Hence, the definition of cultural industries.

1.1.2. Cultural industries

Cultural industries combine the creation, production and distribution of goods and services that are cultural in nature and usually protected by intellectual property rights. UNESCO defines cultural and creative industries as activities "whose principal purpose is production or reproduction, promotion, distribution or commercialization of goods, services and activities of a cultural, artistic or heritage-related nature." Cultural and creative industries also refer to a range of economic activities, which concern the generation or utilization of knowledge and information. They are at the crossroads of the arts, culture, business and technology. All these activities are intensive in creative skills and can generate income through trade and intellectual property rights. From this perspective, the term "creative economy" was coined.

1.1.3. Creative Economy

This is an emerging concept dealing with the interface between creativity, culture, economics and technology in a contemporary world dominated by images, sounds, texts and symbols. It is constituted by the creative industries, of which cultural industries are part, as well as the broader industries that support them such as television, radio, mass

media, digital industry, and many more.

Cultural diversity gives rise to the need to market one's cultural industries and productions to supports its creative economy. Thus, marketing in culture and creative industry essentially identifies the supply and demand for products, services, and cultural ideas in their specific market niches. It requires setting specific measurable marketing goals, which the cultural institutions accomplish by using appropriate marketing strategies focused on building loyalty and long-term relationships with the audience (Meler, 2006). Therefore, the promotion in creative art and culture industry cannot succeed without a strategy.

1.1.4. A marketing strategy

It refers to a collection of techniques and long-term activities that enable a particular organization or industry to direct its resources towards the best opportunities in terms of increasing sales and achieving sustainable advantage over the competition. According to Kotler and Armstrong (2004), marketing is a societal and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and values with others. Marketing management, on the other hand, is the process of satisfying product demand and building profitable relationship with the market by providing them with products with superior value and satisfaction. There is therefore a need of marketing strategies to fulfill this, if the firms or industries want to survive in the competitive world of business (Kotler and Armstrong in Ramirez et al., 2014, p.502)

2 CULTURAL AND CREATIVE INDUSTRIES HAVE HUGE AND UNTAPPED POTENTIAL: GENERAL CHARACTERISTICS OF CULTURAL AND CREATIVE INDUSTRIES

Cultural and creative industries involve both individual entrepreneurs and institutions such as Companies, NGO, Cooperatives, Associations and many other groups. Generally,

- They comprise a set of knowledge-based economic activities making intensive use of creativity as primary input to produce marketable value added creative products and services;
- Creative products and services are centered in but not restricted to arts and culture, and are often found in purely commercial sectors such as clothing, textiles and furniture;
- The outputs are tangible products or intangible services with creative content, economic value and market objectives
- They are able to generate income from trade and property rights (Fullerton, 1999).

2.1. CCI are productive…

Cultural and creative industries (CCI) generate US$2,250b of revenues and 29.5 million jobs worldwide (UNESCO, 2015). In Africa and Middle East, CCI revenues amounted to US$ 58 billions and 2.4 million jobs. Nigeria film industry is the second employer after agriculture with 300,000 direct employees and an estimated annual turnover ranging from US$ 500million to US$ 800 million, thus a 2% contribution to GDP. Visual arts in South Africa generated US$ 16.5 million in 2010 with 7,700 direct employees. In East African Community, the mapping of cultural and creative industries found that 148,371 people are employed in CCI, with US$ 4.5 million annual revenue (MEACA, 2013).

2.2. CCI are a locomotive of the online economy…

They averaged US$200 billion contribution to global digital sales in 2013. Cultural and creative content also powers sales of digital devices, which totaled US$ 530 billion in 2013. Digital cultural goods are, by far, the biggest revenue source for the digital economy, generating US$ 66b of Business to Consumer sales in 2013 and US$ 21.7billion of advertising revenues for online media and streaming websites (UNESCO, 2015).

2.3.   CCI are young, inclusive and entrepreneurial…

Creative activities contribute significantly to youth employment and careers in CCI are relatively open to people of all ages and backgrounds. In Europe, CCI sectors typically employed more people aged 15–29 years than any other sector. Creative industries also tend to favor the participation of women compared with more traditional industries. Statistics compiled by the UK Government showed that women accounted for more than 50% of people employed in the music industry in 2014 (vs. 47% in the active population overall). Moreover, creation is driven by small businesses or individuals, giving rise to agile and innovative employers. More than half (53%) of Canadian gaming developers say they are independent operators. In the US, artists are 3.5 times more likely to be self-employed than US workers overall (UNESCO, 2015).

2.4.   CCI boosts attractiveness of cities…

World-class cultural infrastructure is a catalyst for urban development: building a museum often offers opportunities to engage in large urban development projects and to develop a new "city brand" around cultural and creative industries. Such flagship projects boost a city's attractiveness for tourists, talent and highly skilled workers. Bilbao, in Spain's Basque Country, is now an icon of culture-led urban regeneration: construction of the Guggenheim Museum led to the creation of more than 1,000 full-time jobs, and tourist visits have since multiplied eight-fold. Equally important, CCI make cities livable, providing the hubs and many of the activities around which citizens develop friendships, build a local identity and find fulfillment.

2.5.   CCI Leverage a more creative world…

Promoting author's rights: If we want authors and creators to continue creating culture and promoting cultural diversity, they must be compensated fairly for the use of their works. The current failure to properly reward creators is limiting CCI revenues, and holding back their growth and ability to generate employment creation.

• Balancing online monetization: CCI players face two difficulties: trying to persuade consumers to pay for something they have been accessing freely, and extracting a fair share of the value generated by cultural content, which has been largely captured by online intermediaries. The problem of a distorted value chain in favor of internet intermediaries needs to be addressed by policy makers across borders, so that internet becomes a fair-trade place for creators and their works.

• Nurturing talent: talent is the lifeblood of cultural and creative industries. According to urban economist Richard Florida, the "creative class," including designers, artists and high-skilled intellectual workers, acts as an engine of innovation and urban development, structuring creative hubs and networks for the economic, social and cultural development of their native cities and regions.

2.6.   CCI are a big avenue of productivity for the youth

Four digital platforms have emerged to boost creativity and online innovation. Consequently, cultural content, goods and services have a direct impact on the sales of electronic devices used to enjoy them (tablets, e-readers, TV, DVD players), which amounted to US$532billion in 2013. Content availability drives sales of both culture-dedicated devices (TV sets) and of multi-functional devices (tablets, smartphones) used to access cultural goods and services. Cultural content is also the key driver of the demand for high-bandwidth telecoms services (4G and 5G networks, fiber optic link, etc.). Similarly, consumer electronics push the demand for new cultural content, allowing for the further development of content (videos, gaming, etc.).

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THE CONCEPT OF BUSINESS-MODEL AND ITS APPLICATION TO THE ART INDUSTRIES

The concept of the business model is the unit of analysis in this study and is introduced in this section.

The following part is divided into four:

- A brief overview of the evolution of analysis perspective in management science is given.
- Several business model definitions are summarized.
- One selected business model concept in particular is presented.
- Finally, the relevance and application of the business model concept to this thesis are discussed.

3.1. Traditional Theories

When analyzing businesses, management science traditionally used two perspectives: the market-based view and the resource-based view.

3.1.1. The market-based view

As its name suggests, this theory deals with the company's position in the market and regards a privileged position as key reason for a firm's success. The key question is: in what way does the market/environment present opportunities or threats to the business? According the most prominent tool for the analysis of markets, Porter's five forces framework, the attractiveness of a market depends on five factors: competition from substitutes, competition from industry rivals, competition from new market entrants, bargaining power from suppliers and from customers (Porter, 1985a, 1985b). Other researchers have adapted this concept slightly, for example Brandenburger and Nalebuff's who argue that complementors have to be added to the framework (Brandenburger & Nalebuff, 1996).

In the context of CCI, this is a very useful analysis that needs to be regularly carried out by artists and their federations. It through this constant self-evaluation that art industries will build their capacity to generate revenues and achieve sizable market share.

3.1.2. The resource-based view

While the market-based view focuses on external factors that affect the business working in a certain environment, the resource-based view deals with the resources of a firm. Resources must be valuable, rare, inimitable and non-substitutable (Barney, 1991) and can take on various forms, such as

- brands, patents or machinery (Wernerfelt, 1984),
- primary and supporting activities along the value chain(Porter, 1985a),
- core competencies (Prahalad & Hamel, 1990)
- or (more recently) a firm's dynamic capabilities (Teece, Pisano, & Shuen, 1997).

CCI need to identify their critical resources and processes as well as procedures. Improving resource allocation, processes and shortening procedures could lead to cost cutting and raise the profit margins. This exercise could potentially lead to better art products, with higher penetration likelihoods.

The market-based and resource-based views were for a long time regarded as the ultimate tools for business analysis. However, the economic structures and processes businesses used to operate are no longer valid, mainly resulting from new developments, such as the rise of information technology or globalization (Boehnke, 2007). For example, the overall success of a company was usually linked to the success of a single product. Today, as we have seen on various occasions, a product can be successful, but the company can still generate losses resulting from inefficient use of resources or unfruitful cooperation.

Services can no longer be charged for directly but income must be earned through indirect returns (such as banner advertisements on the internet) (Bieger et al., 2002). As product life cycles get shorter, the key to successful business has shifted from single transactions to lasting and proactive customer relationship management (Rudolf-Sipötz & Tomczak, 2001). Furthermore, single companies do not offer the value needed but a network of partners. Osterwalder et al. (2005) adds that industry, as well as a company's boundaries, has become nebulous.

Evolution From "Old" towards "New" Business Models

Old Busine ss Models	New Business Models
Transaction	Lasting customer relationship management
Product price	Complex revenue concept
Single product	Integrated product concept
Internal value chain	Virtual companies with diverse value chains
Unit of analysis: company	Unit of analysis: business model

Source: Adapted from Bieger et al. (2002)

These and other developments describe the transition from the "old" to the "new" business world and are summarized in the table above. The new business world focuses increasingly more on the interaction of partners in a network or the transition of single transactions into lasting relations. Hence, Zott & Amit (2004) argue that these dramatic changes resulted in revolutionary innovations that could no longer be explained using traditional frameworks. This shift in business models calls for new frameworks that can handle the changes. According to researchers, the business model concept could be a suitable framework (Hedman & Kalling, 2003; Stähler, 2002). The following table summarizes the move from traditional theories towards the new business model concept using tourism as an example:

3.1.3. The Business Model Concept as a New Theory to Understand a Company

Theory	Core Theory	Relevant strategic	Example: Tourism
Market-based view	Competitive advantage through optimal focus on needs and wants of relevant markets	unit Strategic business unit (i.e. stable product-market combinations)	SBU – specific strategy: hotel for Families
Resource-based view	Competitive advantage through resources (such as core competencies that are hard to imitate or match)	Company (i.e. unit that has access to all resources)	Cable car / mountain railways with core competency in event management
Network economy	Competitive advantage through optimal configuration of resources and output in company/networks	Business model	Theme park with an individual financing model for each Attraction

Source: Adapted from Bieger & Agosti (2005, pp. 5, 6)

3.1.4. Summary of Business Model Definitions

The business model concept has gradually more attracted attention over the past years and is frequently employed in theory and practice (Magretta, 2002; Osterwalder, Pigneuer, & Tucci, 2005; Shafer, Smith, & Linder, 2005). Among the first to define and describe the business model concept were researchers in the area of e-commerce (Afuah & Tucci, 2003; Mahadevan, 2000;

Tapscott, Lowy, & Ticoll, 2000; Timmers, 1998; Zimmerman & Alt, 2001). The transfer of the concept to other management areas has started only recently (Chesbrough & Rosen-bloom, 2001; Rentmeister & Klein, 2003; Shafer et al., 2005). In contrast, while academics only slowly adapted to the concept, practitioners have quickly picked up on it – probably as a response to increased challenges in a business environment that becomes more and more complex (Morris et al., 2005). Both sides agree that the business model is a new concept for analyzing business units and is highly relevant to both management theory and practice. Furthermore, its success derives from the fact that it combines both the market-based and resource-based views (Hedman & Kalling, 2003; Morris et al., 2005).

When it comes to establishing a definition of the business model concept and presenting its components, researchers have not yet reached a conclusion. Largely based on Porter's value chain approach, Timmers (1998) defines the business model as a "description of the architecture of value generation, the potential value generated for partners and consumers, the sources of revenue and marketing strategy" (p. 4). Mahadevan (2000) defines the business model as "a value stream for partners and consumers, a revenue stream and a logistical stream" (p. 57). Kagermann and Österle (2006) offer a more recent business model description. In their concept "business model 2010, they identify six factors in success: customer retention, customer approach, product/service, ecosystem, emotion and price/costs. Companies that excel in these dimensions and are quick to adapt to a dynamic environment are more successful than their competitors are. Johnson, Christensen and Kagermann (2008) describe another very recent approach; they argue that a successful business model has four components: first, a customer value proposition, i.e. a model that helps customers perform a specific "job" that alternative offerings do not address. It includes the three steps: "target customer, job to be done, and offering" (p. 52). Second, this model has to generate value for the company through a revenue model, cost structure, margin model and resource velocity. Third, the company needs to have the key resources (people, technology, products, facilities, equipment and brand) and fourth, the key processes (processes, rules and metrics, norms) to deliver the value proposition to targeted customers.

Various other researchers have tried to define a business model (Amit & Zott, 2001; Chesbrough & Rosenbloom, 2001; Linder & Cantrell, 2000; Mitchel & Brucker Coles, 2003; Nehls & Baumgartner, 2000; Rüegg-Stürm, 2000; Schögel, 2001; Treacy & Wiersema, 1995; Wallin, 2000; Wölfle, 2000).

In addition to these original definitions, there are several secondary sources that offer reviews of these and other original definitions and are therefore very useful as an extensive overview of literature on business models. Boehnke (2007) summarises some selected secondary sources.

Business Model Components in Secondary Sources

Source	Business model components
Alt & Zimmermann (2001)	1. Mission: vision, strategic goals, value proposition 2.Structure: actors and governance, strategic focus 3.Processes: value creating activities 4.Revenues 5.Legal environment: beneficial and constraining regulations 6.Technological environment: opportunities and limitations
Bieger et al. (2002)	1. Value system: customers, products and services 2.Communication concept: marketing position 3.Revenue concept 4.Growth concept: margin, market share 5.Configuration of competencies: core competencies 6.Organisation: firm boundaries 7.Cooperation concept: value partners 8.Coordination concept: governance across firm boundaries
Hedman & Kalling (2003)	1. Customers 2.Competitors 3.Offering: products and services, marketing strategy 4.Activities and organization 5.Resources: human, physical, organizational 6.Supply of factors and production inputs 7.Longitudinal process component: dynamics over time, scope of Management
Morris et al. (2005)	1. Factors related to the offering: products and services, value chain architecture 2.Market factors: customer target groups 3.Internal capability factors: core competencies 4.Competitive strategy factors 5.Economic factors: revenues, margins 6.Personal/investor factors: time, scope and size ambitions
Osterwalder et al. (2005)	1. Product: value proposition 2.Customer interface: target customer, distribution channel 3.Infrastructure management: value configuration, core competencies, partner network 4.Financial aspects: cost structure, revenue model

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Shafer et al. (2005)	1. Strategic choices: customer, value proposition, competencies, revenue/ pricing, competitors, offering, strategy, branding, differentiation, mission 2.Create value: resources, processes 3.Value network: suppliers, customer information/relationship, information flows, product/service flows 4.Capture value: cost, financial aspects, profit
Stähler (2002)	1. Value proposition 2.Products or services 3.Value architecture: market design, internal and external value Architecture 4.Revenue model

Source: Boehnke, 2007

As we can see from the summary, most definitions share some common features. Consolidating the common characteristics, five key components of a business model can be identified. These *are product, marketing, internal management, financial aspects and outlook*. All five components have some sub-components, i.e. those that actually describe the business model. In the following, these will be called "business model building blocks".

To make it short, *product exemplify* the benefit a company presents to its customers (Mahadevan, 2000; Stähler, 2002). For CCIs, this is the art product with respect to the art industry: music, film, plastic artworks… this is the value proposed to the customer and has to be customer centered and oriented in order to enhance his/her experience of the art product. Hence, a business model needs to be built on a competitive customer value proposition. Later on, the improvements needed to build a competitive value proposition are discussed.

Marketing is the cluster for two very relevant business model building blocks. It is crucial to define exactly which customers should be targeted and how the value proposition is communicated (Hedman & Kalling, 2003; Stähler, 2002). CCIs need to communicate the value proposition to the customer. What do I offer to my customers? This question needs to be rephrased by each artist in his art industry to become "who are my fan? What do they like about my art? what song, film… do I offer to my fans? How different is if from substitutes on the market? What emotions/experience does it create for my fans? What price tag do I think my fans would want to put at my product? etc."

Internal management comprises the internal architecture, i.e. the organization and the configuration of the partner network and competencies. In other words, it explains how the company is organized internally, in terms of competencies, organization and in reference to its partner network (Bieger et al., 2002; Osterwalder et al., 2005). Furthermore, the

architecture indicates which steps of the value chain are performed by the firm and which are outsourced (Alt & Zimmermann, 2001; Hedman & Kalling, 2003). CCIs need to identify the resources they have and those they have to outsource. They need to ask themselves the following questions "do I need a more talented communications manager? Do I need a better manager? Do I need a better business manager? What technical skills do I need to outperform my competitors? Etc."

Finance describes the way the company generates money through a variety of revenue flows (Bieger et al., 2002; Osterwalder et al., 2005). CCIs need to ask themselves how their value proposition as communicated can make money. "With my artwork, who can buy it and why should they do so? If they do, how will I increase my client base…"

Outlook is closely related to all other components, since it encompasses the competitive strategy of a business in relevance to the changing market environment. It describes how the company will grow in the future (Bieger et al., 2002; Morris et al., 2005). The following table illustrates the key components and their corresponding business model building blocks. CCIs need to ask themselves how they want to grow from now 5 to 10 years.

3.1.5. Business Model Components

Key Component	Business Model Building Blocks
Product	Value proposition
Marketing	Customer
	Communication
Internal Management	Organization (internal architecture)
	Partner network
	Competencies
Finance	Revenue model
Outlook	Growth concept / strategy

Even if a stakeholder (the government ?) wanted to held artists to build their businesses, the above business analyses need to be done by the artists themselves. It is utterly important that artists be the engine of growth of their businesses.

The following table shows which elements of the business model definitions discussed earlier in this section are covered by the components identified in the previous table.

Comparison of Business Model Components to Other Definition

Source and Components	Product	Marketing		Internal			Finance	Outlook
		Strategic focus	Processes	Structure	Actors and governance			
Alt & Zimmermann (2001)	Value proposition						Revenues	Strategic goals
Bieger et al. (2002)	Product / service concept	Product / service concept	Communication concept		Organizational concept	Cooperation + coordination concept	Competence configuration	Revenue concept
Hedman & Kalling (2003)	Offering	Customers	Offering	Activities and organization	Supply of factor and production inputs	Resources		Longitudinal process component
Kagermann & Österle (2006)	Product / service	Customer approach		Customer retention	Ecosystem	Ecosystem		Price / costs
Johnson, Christensen & Kagermann (2008)	Offering, job to be done	Target customer	Information, channels, brand	Key processes	Partnership, alliances	Key resources	Profit formula	
Mahadevan (2000)	Value stream				Logistical stream			Revenue stream
Morris et al. (2005)	Products and services	Market factors		Value chain architecture		Internal capability factors	Economic factors	Competitive strategy factors

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Osterwalder et al. (2005)	Value proposition	Target customer		Distribution Channel	Value configuration	Partner network	Core competency	Revenue model
Shafer et al. (2005)	Value proposition	Customer		Processes	Value network	Resources	Capture value	Strategy
Stähler (2002)	Value proposition	Market design		Internal value architecture	External value	Internal value	Revenue model	
						architecture	architecture	architecture
Timmers (1998)	Potential value	Marketing strategy	Marketing strategy	Architecture	Architecture		Source of revenue	revenue

Source: Adapted from Boehnke (2007)

As we can see from the comparison of business model components the Bieger et al. (2002) model is most in line with the components and sub-components we identified. Hence, rather than adding another definition to the existing ones, it will be more useful to analyses the Bieger et al. business model. Special emphasis shall be laid on two concepts: the product concept and the customer concept, where the product concept focuses more on the value proposition, while the customer concept focuses on the customer and which customer sectors should be targeted.

3.2. The Bieger et al. Business Model

To start with, Bieger & Agosti (2005) define eight trends in the modern economy as the underlying hypothesis to their definition of their business model (p. 3-5).

1. The overwhelming trend towards global sourcing and buying has forced firms to focus on a particular group of customers. In order to gain the attention of the most likely buyers of their product, the value system has to be adapted to fit. This will be the only way to really influence customer decision-making.
2. In an age of excessive stimuli and the economy of attention (Franck, 1998) it is increasingly difficult to attract customer attention. Traditional advertising will not be sufficient to entirely place a positive message in the customer's mind. Hence, firms depend on a positive C2C (customer-to-customer) communication. Only then will customers be attracted to buy the product.
3. More and more companies no longer make profit in their core business. Fierce competition has forced companies to cut their margins in order to safeguard their market share. Furthermore, core business areas usually represent a company's weakest points, since they are the most visible and in the public focus. Hence, firms must differentiate their business and develop secondary lines in addition to their core business.
4. Speaking in terms of generating additional capital, firms must be aware that their business is judged based on future discounted cash flow. The DCF relies on the growth potential of a company. Hence, in order to be attractive for capital, firms must develop a growth strategy.
5. Today, value is created within a corporate network, rather than by single business entities. As a result, companies specialize in their own core competencies, market them and buy in additional core competencies from other companies. Hence, a company's network of partners will play a substantial role in their own success.
6. Modern business models require a complex system of competencies. It will be a key task for a successful firm to identify which competencies it possesses in-house, and which competencies must be bought in.
7. In an environment strongly characterized by cooperation among companies, the selection of partners will play an important role. The selection process must find a

partner capable of entering in a lasting relationship. The selection must therefore be driven not only by monetary reasons, but also by soft factors such as potential.

8. Future business models will need to handle situations that are more complex. This demands a coordination model that can serve as regulator.

Components of the Adapted Bieger et al. Business Model Concept

Based on the eight trends identified, the findings of several researchers (Amit & Zott, 2000; Nehls & Baumgartner, 2000; Rüegg-Stürm, 2000; Timmers, 2000; Tomczak, Schögel & Birkhofer, 1999; Treacy & Wiersema, 1995; Wölfle, 2000; zu Knyphausen-Aufseß & Meinhardt, 2000) and the comparison conducted above, the following presents the adapted Bieger et al. (2002) business model concept. A business model can be defined as follows (Bieger & Lottenbach, 2001):

"A business model is the description of the way in which a company, a corporate system or an industry creates value on the market. This requires answers to the following questions:

Which benefits do we transfer / What job has to be done?

Which customers do we target?

How this benefit is communicatively anchored in the relevant market?

How are revenues generated?

Which growth concept is pursued?

Which core competencies are necessary?

What is the range of one's own company?

Which cooperation partners are selected?

Which coordination model is used?"

The following table demonstrates their practical usage, comparing two power-tool providers.

3.2.1. Components of the Adapted Bieger et al. Business Model

Business Model Components	Traditional Power Tool Company	Hilti's Tool Fleet Management System
Which benefits do we transfer? What job has to be done? *Value proposition*	Sales of industrial and professional power tools and accessories	Leasing a comprehensive fleet of tools to increase contractors' on-site productivity

Which customers do we target? *Customer*	Same customer (crew leaders, on-site purchasing managers)	Same customer but different position (CEOs and CFOs)
How is this benefit communicatively anchored in the relevant market? *Communication concept*	Distribution channels	Strong direct sales approach
How are the revenues generated? *Revenue concept*	Expensive revenue management system; low margins, high inventory turnover	Simple pricing systems: one bill every month for everything; higher margins
Which growth concept is pursued? *Growth concept*	Sell more power tools (volume); increase assets on customer's balance sheet	Increase quantity of lease/subscription model; offer services not products
Which core competencies are necessary? *Competence configuration*	Competence in marketing & technology	People (training and development in fleet management); IT system for inventory management
What is the range of one's own company? *Organizational form*	Complex integrated operations with leadership structures(sales representatives); low-cost manufacturing plants in developing countries; R&D	Structure processes around new IT system; interact with customer through new website (record of all tools in their fleet)
Which cooperation partners are selected? *Cooperation concept*	Cooperation partners in the form of suppliers	Cooperation partners in the form of suppliers, repair centers, IT services
Which coordination model is used? *Coordination concept*	Alliance management through possession / interlocking arrangements	IT system and website coordinates processes

In the following we analyze each dimension in detail:

3.2.2. Value Proposition

Companies will no longer only sell one product. They must enrich their business and develop it into an integrated value chain that offers solutions to its clients. According to Johnson, Christensen, Kagermann (2008) a successful company is one that has found a way to help customers to get a job done. Once this "job" is understood, i.e. where the customer's problem lies, the company must then offer the answer to getting it done. The better this solution is compared to that offered by competitors, the greater the customer value proposition. This lays the basis for lasting relationships with clients and will increase the perceived value by clients.

3.2.3. Customer

A successful company must define exactly which customers it targets with its value proposition. The company must be willing to exclude some customer groups that competitors regard as relevant to their business. Only the focus in targeting customers will allow the company to provide the best service for its customers (Kagermann & Österle, 2006).

Firms must therefore know their customers' wishes and direct their value proposition towards this. A detailed and precise market segmentation is useful to better understand and identify customers (Meffert, 2000, p. 183).

3.2.4. Communication Concept

Every company wants to turn a one-off transaction with a client into a lasting relationship. Single transactions often incur high transaction costs (Williamson & Masten, 1995). In general, client relationships become profitable only after a critical number of transactions have occurred, since frequent transactions increase the share of wallet.

Firms must therefore attract sufficient attention to their products to keep their product in the customer's mind. With this in mind, C2C communication becomes more important and has in some industries already overtaken the impact of B2C communication. Communities play a definite role here, since this is where potential clients meet and exchange. Technological opportunities like chat boxes have considerably widened this group's radius in recent years.

3.2.5. Revenue Concept

According to Johnson, Christensen & Kagermann (2008) the revenue concept is the blueprint that defines how the company creates value for itself by offering its value

proposition. Companies must optimize their revenue by either extending into or integrating secondary businesses.

A starting point in optimizing revenue can be identified within secondary businesses. For example, in tourist destinations revenue can be increased by selling real estate or in car rental companies by offering a fleet of cars to corporate clients. Changes in the revenue concept can also be made to the charging structure. The firm can either charge clients up-front, like Hilti, or by usage. This reduces the risk for the firm and gives transparency to the client.

3.2.6. Growth Concept

Companies must constantly ask themselves how they want to secure and foster growth. An important prerequisite to generating growth is standards (Shapiro & Varian , 2000). Other growth strategies can be through extension of share of wallet within the company's own market, or to enter into other markets. A company may also grow through multiplication or through the sale of concepts (franchising).

3.2.7. Competence Configuration

A crucial decision when designing the business model is the configuration of core competencies. Simply identifying core competencies is not sufficient: the company must align its core competencies to its value proposition and revenue model. When the company establishes the perfect fit between competencies and products offered, this will represent its unique advantage over competitors. Key competencies can be found in its human resources, technology, products, facilities, equipment, channels and brand. It is important to understand that core competencies are those that create value. Others are generic competencies that do not create competitive differentiation (Johnson, Christensen & Kagermann, 2008).

3.2.8. Organizational Form

To meet customer demand and align the value proposition and core competencies accordingly the organization can employ a wide range of organizational designs – from flexible project organization (tent) to a pyramid form (hierarchic organizational form). In order to choose an organizational form the firm has to determine its position in the value chain. What markets are we active in? Where are boundaries? Where is the interface with partners? The theory of firm, in particular the transaction theory, offers various explanations to define the boundaries of a firm (Williamson & Masten, 1995). In some cases, integration of at least some processes into the firm's own value chain (i.e. producing expensive assets in-house) can represent a useful way to reduce uncertainties and limit

risks. The outsourcing movement at the beginning of the 21st century has demonstrated that outsourcing does not always represent a valuable tool to limit costs. Many firms are now reducing their outsourcing to produce in-house.

3.2.9. Cooperation Concept

Cooperation plays a substantial part in every business model. The cooperation concept defines selection criteria for the partners and discusses key questions such as: how many partners? Big or small? Long-term vs. short-term partnerships?

3.2.10. Coordination Concept

Once the network has been established, the priority is then to coordinate all the partners. The coordination of the network must take into consideration the transaction costs involved in its operations. The cooperation concept will be an extension to the classic cooperation arrangements (i.e. market and hierarchy) and will be positioned somewhere in between (Williamson, 1986). Cooperation can take the form of explicit and implicit contracts.

3.3. Discussion of the Business Model Approach

As stated above we have learnt that the business model is an addition to the market-based and resource-based perspective, combining elements of the two (Belz et al., 2004; Morris et al., 2005). However, the business model should not be regarded as the ultimate tool that covers every aspect from the internal and external view of a firm (Amit & Zott, 2001; Belz et al., 2004; Chesbrough & Rosenbloom, 2001). In the following, we will discuss the concept's advantages and range.

The business model approach combines three advantages. First, a useful advantage of the business model is its scope. The model does not dig too deep but covers the most important issues in the business under observation. Bieger's model, for example, does not attempt to discover the internal human resource payment structure, but focuses more on the configuration of resources (coordination concept). Hedman & Kalling (2003) and Rentmeister & Klein (2003) therefore argue that the business model concentrates only on vital parts of the business.

A second advantage of the model is that it reduces complexity and enables a grasp on the "big picture" (Osterwalder et al., 2005). Using Bieger's model as a tool for analyzing a business will ultimately provide relevant insights into the company. The framework investigates the key components of the company, including its environment and market. This simplicity, however, does not lack depth. In particular, the model exposes all strategic choices, even those that are not initially visible (Boehnke, 2007).

Third, the key advantage of the business model concept derives from its practical application as a tool for company analysis. In other words, the business model concept is a tool that managers can apply to analyse their business or that of their competitors. Boehnke (2007) identified four key application areas: analysis, communication, decision-making and planning. According to Boehnke (2007), the model provides a snapshot of the company, including the strategic choices made. Osterwalder et al. (2005) emphasizes that this enables managers to understand the business logic. Furthermore, managers can compare their business to others and find relevant triggers for success or identify core competencies (Linder & Cantrell, 2000; Morris et al., 2005; Timmers, 2000). The model's ability to simplify a complex business helps greatly in supporting the communication of the model. Managers can use the visualization of the company to present it to employees, colleagues or partners (Möller & Rolf, 2003; Stähler, 2002). Another application is the model's ability to serve as a decision-making tool. Since the model reduces complexity and maps the business and its environment, it assists in and speeds up the decision-making process. Moreover, as Boehnke (2007) argues, the model can also provide the foundation for scenario analysis and strategy formulation. Finally, as a result of its holistic approach, the business model is useful for detecting strategic issues in advance. This helps managers to test their strategic approaches and predict their impact or consequences (Chesbrough, 2010; Hayes & Finnegan, 2005).

First, the model cannot replace a strategic plan (Magretta, 2002; Stähler, 2002). As stated above, the model contains strategic elements and detects strategic choices. However according to Chesbrough & Rosenbloom (2002), Morris et al. (2005), Osterwalder et al. (2005), these should not be regarded as sophisticated strategic plan but more as evidence of strategic choices.

Second, an advantage presented above can also represent a limitation – the scope. On the one hand, it helps to simplify the business model. On the other, when comparing companies from different industries, the analysis might be biased. Because the business model concept analyses the environment only in broad terms, any comparison of companies from different industries must be informed by a detailed investigation of the environmental setting (Zott & Amit, 2004).

Third, another restriction of the concept lies in its static nature. Osterwalder et al. (2005) note that the snapshot is not dynamic and does not take into account a dynamic and changing environment.

Fourth, key dangers lie in its application, or possible misapplication. Boehnke (2007) identifies potential flaws in the application of the model: confusion of terminology, wrong assumptions about the future, failure to adapt to new conditions and neglect of contextual factors. Most practitioners speak of business models when they mean only one particular

part, leaving out various other aspects (Linder & Cantrell, 2003; Rentmeister & Klein, 2003). This leads to misjudgment and biases the analysis of the business. Similarly, wrong assumptions about the future can bias the decision-making process and be harmful to the firm. Hence, it is important to verify the assumptions (Shafer et al., 2005). Another possible flaw derives from the fact that managers consider their new business model to be optimal. Hedman & Kalling (2003) and Magretta (2002) both argue that a business model is never optimal. The dynamic environment and constantly changing conditions almost daily challenge the business model. Hence, managers must continuously improve their model and learn to adapt it to suit new conditions, incorporating contextual factors.

To sum up, it can be argued that the business model concept is a valuable tool to analyze businesses and complements existing tools. Applying the business model concept, however, must heed the restrictions of the concept. The following table summarizes the advantages and limitations.

3.4. Summary of Advantages and Limitations of the Business Model Concept

Advantages	Limitations

Scope
Simplicity and completeness
Applicable to
• Analysis
• Communication
• Decision-making
• Planning
	• No substitute for strategy
	• Contextual and environmental settings not included
	• Static
	• Flaws in application
	    • Confusion of terminology
	    • Wrong assumptions
	    • No adaptation to changing environment

4   TAPPING INTO THE POTENTIAL OF CCI

4.1. Protecting authors' rights and sharing value through collective management

Authors' rights/copyright can be exercised either via individual direct licensing (e.g., a music producer negotiating the price of their catalogue with an online music service) or through collective management. Collective management came to being as an economic answer to the challenges presented by many-to-many markets: it is impossible for each author/ composer to deal directly with each user of their work, to give them authorization to use their works and get remuneration. For instance, SACEM, the French music collective society, has 153,000 members and 500,000 users. It could be practically impossible for each of these members to negotiate or enter into a license agreement with every potential licensee. Creators themselves generally rule collective management organizations (CMOs) in order to be both the interface between them and the people using their works. CMOs are working as cooperatives, where they can assemble their works to get better bargaining power with users (media outlets such as TV, radio, internet, digital companies, theaters, concert halls, etc.)

CMOs are particularly well-adapted to the negotiating of rights in the digital era as they provide a one-stop-shop to get licenses for the Digital Sound Programs (DSPs) for a large number of works, thus fostering legal security as well as simplicity. For creators and artists, they provide platforms to manage micro payments and payments for the use of their works worldwide, and ensure that all repertoires are treated equally — essential to ensure that cultural diversity has the means to blossom.

The informal economy dominates cultural content distribution in developing countries. In Asia-Pacific, Africa and Latin America, informal trading of pirated cultural goods and services (usually at lower prices) without any payment to authors is widespread. It ranges from rip-off CDs, movies and video games, to unlawful book copies, to unlawful performances and back-door TV subscriptions. Informal CCI sales in emerging countries totaled an estimated 1.2 million jobs. Performing arts are the biggest employers in the informal economy, providing unofficial music and theater performances (street performances, festivals and concerts that do not pay authors rights, private performances at marriages or funerals, etc.), which are often free for audiences.

In the absence of official alternatives, cultural consumers turn to the informal economy; the high prices of cultural goods, low incomes, and cheap digital technologies combine

to foster piracy. The lack of legal cultural distribution channels (such as bookstores) and other cultural infrastructure makes it hard for consumers to obtain lawful copies of cultural works. Many creative workers in emerging economies, including musicians, artisans, performers and visual artists, often find themselves beyond the reach of official regulation. Informal distribution channels in South Africa, Brazil, India, Russia and Bolivia have become so effective that lawful distributors sometimes try to use them. The Nigerian home video industry — now the second-largest film industry in the world — was built on informal distribution networks, and its success is encouraging their extension throughout Africa. In the absence of formal venues, the informal economy also helps finance the work of performers, including actors and musicians. In Africa and Asia-Pacific, informal contracts between artists and private sponsors are often the primary source of income for creators.

4.2. Promoting the visibility of CCI on the market

There are many ways in which firms can generate revenues from the cultural and creative industries and the commonly agreed upon are the following two: one option is to create powerful cultural events, which can be used to promote other businesses. This would mean that cultural events and the arts in general be used to promote other products and services and for the same reason cultural and creative industries would get a revenue in return for the service offered. The second possibility is to market the cultural and creative industries to widen their client base and increase their sales. Both of these possibilities offer advantages to the cultural and creative industries.

4.3. Using cultural and creative industries as a promotion channel

Cultural and creative industries are at the center of the event industry. They give rise and life to the event. As such, they hold huge potential to collect revenues when they are used as promotion/advertisement channels. This is what is known as "event marketing". Traditionally, in Rwanda event marketing is known as a financing mechanism of the cultural event through which the funder is promoted.

Globally, event marketing is fast emerging as a promotion catalyst vis-à-vis the traditional marketing communication tools. The increasing corporate disillusionment with traditional media due to increased clutter, escalating costs and reduced efficiency has created opportunities for event marketing. Event marketing allows a company to break through the advertising clutter, and target an audience by enhancing or creating an image through an association with a particular event, while reinforcing the product or service, and driving sales.

Philip Kotler (Management Review 2003) defines events as occurrences designed to communicate particular messages to target audiences. Based on audience participation and the sponsor's objectives, events can be categorized into direct events (such as exhibitions, trade fairs, dealer meets and conferences, where the people attending have a direct bearing on the objectives) and indirect events such as Miss Rwanda and similar high quality high profile events. While people participating in indirect events may not necessarily form the target audience, media coverage and word-of-mouth publicity helps events reach much larger audiences, who actually are the target audiences. Such events are used to build brand image. Through the event, the CCI have the opportunity to reach as big audience as they can to build interest and curiosity about the arts.

Key Issues in Event Marketing. The literature on the subject can be divided into a number of themes like setting objectives, event selection, and measurement of effectiveness, celebrity endorsements and integration with strategic planning.

- Setting objectives

The studies on objectives behind event marketing indicate that event marketing is often a mix of many of marketing and other objectives. In 1993, Bethlehem Musikfest asked its sponsors what their objectives were in sponsoring its nine-day $1.9 million celebration, which included visual arts, parades, fireworks, and 630 free performances. According to the IEG Sponsorship report 92% of the sponsors of this event said it was very or somewhat important to increase awareness of their companies, 88% wanted to improve public perception, 86% wanted to contribute to community economic development, 62% were striving to reach their target markets and 59% wanted to differentiate themselves from competitors. The bottom line is that the cultural event was financed and the artists got a revenue from this event. They only achieved this by aligning themselves to the expressed interests of the sponsors.

- Sponsorship

Sponsorship of events has become an established communication tool for building brand awareness, brand image and corporate image. Sponsorship involves two main activities: an exchange between a sponsor and a sponsee whereby the latter receives a fee and the former obtains the right to associate itself with the activity sponsored, and the marketing of the association by the sponsor. Sponsors try and use the energy, excitement and the emotion generated by an event to allow consumers to touch, feel and experience the product. The event allows the sponsors to spend an hour, a day or even a weekend with their prospective customers. Commercial sponsorship can be described as buying and exploiting an association with an event for specific marketing purposes.

Celebrity endorsement is an integral part of event marketing. Many marketers use celebrities in events and otherwise to endorse their products. Celebrity endorsements when used in retail merchandising events, exhibitions, and product launches besides live entertainment events, can leave a lasting impact on the audience. For this reason, cultural events need to match the needs of the sponsors for them to be eligible. Sponsorship offers big opportunities for CCI to generate revenues. Star artists/celebrities can cash out on event marketing by simply associating their present and interventions with an event's objectives. Cultural events, if they have the required profile, can as well serve the same role by providing the opportunity needed. Miss Rwanda is a good example.

4.4. Adopt a value chain approach to addressing the binding constraints

The articulated binding constraints are the challenges that hinder the development of the creative industries in Rwanda. These constraints are many and multifaceted. The cultural and creative industries themselves are varied and dynamic to an extent that new challenges arise almost every day. Hence, the value chain approach is needed to ensure that the efforts and resources are not too thinly stretched across the multiple challenges faced.

A value chain is a set of activities that a firm operating in a specific industry performs in order to deliver a valuable product or service for the market. The idea of the value chain is based on the process view of organizations, the idea of seeing a manufacturing (or service) organization as a system, made up of subsystems each with inputs, transformation processes and outputs. Inputs, transformation processes, and outputs involve the acquisition and consumption of resources – money, labor, materials, equipment, buildings, land, administration and management. How value chain activities are carried out determines costs and affects profits. The value chain approach allows actors and policy interventions to impact the whole chain from market demand down to sourcing raw materials for production.

4.5. The case of market research

The value chain approach requires that policy actions impact the whole value chain and address the market needs; it makes market research a priority. Marketing has come to play an increasingly important role in the cultural industries, with the realization that it is crucial to the economic viability of many cultural products. For example, Telefilm Canada (1991) reported that it gives the utmost attention to improving the market analysis and promotion appropriate to each project financed by the corporation. Marketing researches contributes to building a databank that provides more information about the sector. The

databank then is used to forecast sales, analyze market shares and understand better how to intervene in the sector for improved productivity.

- Brief analysis of market demand for Rwandan art

Rwanda has been enjoying a rich and strong macroeconomic framework. Living conditions of many Rwandans have consistently improved over the last decade. Life expectancy has increased from 49 in 2000 to 66.6 years in 2017. Poverty has reduced considerably from 60.4% in 2000 to 38.2% in 2016/2017 and extreme poverty reduced from 40% to 16% over the same period. Free universal basic education was initiated and scaled up to 12 years cycle. This resulted in net enrolment of nearly 100% in primary for both boys and girls. Economic growth was solid, averaging 6.1% over (2013-2016) against the target of 11.5% over the period 2013-2020. Growth in all sectors while positive and resilient in the face of a slowing global economy (NST, MINECOFIN, 2018).

This solid economic growth and lowering levels of poverty translate into improved marginal propensity to consume for Rwandans. In order words, the available money to spend per household has increased for many people compared to the early 2000s. The capacity to spend on art has also increased for the same reason. The increase depicted above does not translate into demand for artworks however. There is still need to cultivate interests and taste in arts of many Rwandans; hence, the case of marketing the cultural products.

4.6. Marketing management of CCI

Paradigm shift in the promotion of cultural and creative industries. Up until the creation of RALC in 2012, the management of arts and entertainment in Rwanda was done as part of management of cultural policy. But with the creation of RALC, the cultural and creative industries became an important sector in the life of the country. A lot of work has been done to discover, articulate the constraints, bring together, set up management structures and advocate for arts and artists. It has now become clear that the arts and entertainment, cultural and creative industries, are a vast reservoir of productivity, jobs, income generation and so forth. The promotion of the cultural and creative industries requires a shift in their promotion.

4.7. The right marketing concept

At the core of the marketing approach to business is the marketing concept (McKitterick, 1957), which holds that the key to achieving organizational goals consists of determining the needs and wants of target markets, and then attempting to satisfy them more effectively and efficiently than competitors (Kotler & Turner, 1989). Thus, the marketing concept combines four elements, namely, taking a market focus, a customer orientation,

coordinated marketing, and a goal of profitability.

Although the marketing concept is now widely accepted in business, it has rarely been accepted without considerable opposition. Nevertheless, it has always eventually supplanted the competing views (the production concept, product concept, and selling concept) of the way organizations should conduct their marketing activity, many of which have adherents in the cultural industries.

Adherents to the production concept think consumers will favor those products that are widely available and low in cost. Thus, production-oriented organizations concentrate on achieving production efficiency. However, this view is only reasonable when the demand for a product far exceeds the supply, and so customers are satisfied just to obtain the product without worrying about its finer points.

Adherents to the product concept assume consumers will always favor products offering more quality, performance, and features. In product-oriented organizations, which are very common in the cultural industries, managers focus their energy on making high-quality products and finding new ways to improve them over time. However, product oriented managers often become obsessed with their product improvements. As a result, they fail to appreciate that the customer may not be able to detect marginal improvements, and may not be prepared to pay for real improvements in quality, performance, or features.

Finally, adherents to the selling concept think that consumers, if left alone, will not buy enough of the organization's products, so their organizations have to undertake aggressive selling and promotion efforts. Managers in these organizations aim to sell whatever it is they make, rather than recognizing they could make what would sell.

In arts, it is important to make products that sell. It is also important to always improve the product. This is because artists create primarily to express their subjective conceptions of beauty, emotion, or some other aesthetic ideal. Their creativity is expressed for its own sake, and the creative process itself is intrinsically satisfying. Such artists differ from creators of utilitarian products in that their creativity is valued for its expressive qualities, and not strictly for its functional utility or technical competence. Lastly, it is equally important to always improve the production process; hence adopt a value chain approach and solve binding constraints.

4.8. The selling concept

4.8.1. Consumer wants

Cultural industry organizations can only implement the marketing concept if they have a clear understanding of the needs and interests of consumers. A continuous program of consumer research is necessary to monitor consumer needs and changing interests and guide managers in their strategic and operational decision-making. An understanding of consumer research methods and of available sources of secondary data is essential for successful implementation of the marketing concept.

Because they have always sold access to their audience to advertisers, the television, radio, and print media have historically devoted significant levels of resources to consumer research. They have conducted consumer research to satisfy the demands of advertisers who require detailed information on the audience they would reach. Much of this research has been collecting behavioral data on who is viewing, listening, or reading, and what these individuals do and buy (Tuckwell, 1988, p. 265). Considerable research has been devoted to the adequacies of these audience ratings methods (Beville, 1988). Thus, there is an abundance of proprietary data on the audiences for these media. Other cultural industries, such as movies, books, and sound recordings, have not had the same incentive to collect behavioral and audience data, so far less is known about their audiences. Therefore, audience research for these industries is a greater priority.

What all the cultural industries still need is more and better quality research into the factors which determine the choice of particular cultural programs and products by different segments of consumers (Papadopolous, Heslop, & Marshall, 1990, p. 270). Such research can help industry participants to improve the efficiency of their marketing programs by only targeting groups who are likely to respond.

4.8.2. Customer satisfaction and service quality

As the cultural industries become subject to more inter-industry competition, it will be necessary for firms to pay more attention to customer satisfaction and how it impacts on customers' perceptions of their overall service quality. This is an area of considerable academic (Cronin & Taylor, 1992) and applied research.

4.8.3. Segmentation and positioning

The marketing concept suggests that success will be achieved by organizations that focus their efforts on developing a marketing mix that best meets the needs of consumers. A marketing mix consists of a unique combination of the potential product forms, pric-

es, places of availability, and types of promotion an organization could offer. However, most markets are composed of consumers with a variety of different needs. As consumer needs for most cultural products vary, one marketing mix cannot adequately meet the needs of the entire market. On the other hand, if the marketer can divide the total market into subgroups of consumers, or segments, which themselves have homogeneous needs, then the marketer can provide a separate marketing mix for each segment. The result is that the needs of all are closer to being fully satisfied. The choice and implementation of a specific marketing mix, which is designed to satisfy a segment, is referred to as position-ing the product for the segment.

Cultural product markets can be segmented on demographic, socio-economic, geographic, social class, lifestyle, product usage, attitudes and perceptions, benefits, and usage situation differences between consumers (Wind, 1978). Some of these consumer characteristics are causal segmentation bases, in that they are closely related to the reason why the groups of consumers respond differently to the same marketing mix. Others, including such demographic variables as age, sex, and education, are essentially only descriptive segmentation bases. They may identify groups that are different, but they do not account for the differences.

Use of a segmentation strategy requires segments that are identifiable, accessible, of substantive size, and responsive (Nylen, 1990). Implementation requires selection of the target audience segment and positioning of the offering to attract members of the target segment. In her case analysis of the development of disco music, Stibal (1977) describes how the record industry responded to the identification of a new market segment (the disco audience), by producing new products.

Mirucki (1987) provides an application of segmentation and positioning to a Canadian cultural industry, in examining book consumption as a function of linguistic group. Areas for further segmentation research include the identifiability, accessibility, size, and stability of the high culture versus popular culture segments, and of segments that exhibit values that could be identified as distinctly Canadian versus U.S. or truly internationally oriented.

Brief analysis of the domestic market for arts:

The Rwandan market for arts is dominated by art content from different origins. There are artworks from China, Europe, Tanzania, Kenya and Uganda. The market share of local artworks on the local market has not yet been established. It should be assessed in the near future. The taste and preferences of local buyers have not yet been articulated, nor has there been an estimation of the households and corporate disposable income allocated to buying art works. These challenges impede any forecast of the sales and marketing of the art.

On a purely theoretical level, potential buyers of arts in Rwanda can be classified into 3 segments: the foreign nationals who transit, visit or live in Rwanda; the local and foreign institutions operating in Rwanda; and the Rwandans with the financial capacity and taste of the arts.

In recent individual interviews conducted for this assessment, art brokers in Kigali City tended to agree that the majority of buyers are foreign nationals living, transiting or visiting Rwanda. The main reason cited by the brokers for this client segment is mainly to acquire a souvenir of their visit to Rwanda. The respondents have not yet clearly identified the trend in taste of this market segment. An assessment would help target policy interventions to build customer loyalty and increase the sales.

The second market segment consisting of local private, public and civil society institutions operating in Rwanda. The mainly cited institutions are hotels, public institutions, new flagship buildings in Kigali City and secondary cities, embassies, NGO offices and the likes. This market segment is associated with higher financial capacity to buy artworks for decorative purposes. Again, an assessment of the trends, preferences and tastes of this market segment is needed for targeted interventions.

The third market segment is that of Rwandans, individuals and households, with the taste of arts. This segment is the least probed and articulated. The taste, preferences and disposable income allocated to the consumption of the arts is the least known. However, this is the market segment that holds the highest potential to increase the art sales in Rwanda given its size. An assessment of its taste, preferences and available disposable income would enlighten policy interventions.

The capital of Rwanda, Kigali and the 6 secondary cities hold more potentials for the sales increase of the arts as these centers have higher economic activities than the rest of the country. An analysis based on three indicators (poverty ranking (EICV 5), Number of institutions in the District (Establishment census 2017), and Number of employees (Establishment Census 2017) shows that districts that rank higher than others and are such associated with higher numbers of people with estimated higher living standards.

Market niches sample

Poverty ranking	High number of institutions	High number of employees
1st Kicukiro	1st Gasabo	1st Nyarugenge
2nd Nyarugenge	2nd Nyarugenge	2nd Gasabo
3rd Gasabo	3rd Kicukiro	3rd Kicukiro
7th Muhanga	4th Rubavu	4th Musanze
8th Rusizi	5th Musanze	5th Rubavu
11th Rubavu	6th Muhanga	6th Rusizi
14th Huye	7th Rusizi	9th Muhanga
16th Musanze	9th Nyagatare	13th Nyagatare
19th Nyagatare	21st Huye	19th Huye

The table above is only an indication of potential markets for arts by association with living standards. The concerned districts are Gasabo, Kicukiro, Nyarugenge, Muhanga, Rusizi, Musanze and Rubavu.

Art consumption is commonly associated with consumers of a young age. Notwithstanding this common perception, no assessment has established the age groups of art consumers in Rwanda by their tastes, preferences and art industry (music, cinema, dance, plastic arts…). An assessment should be conducted to inform targeted policy interventions. The lack of such assessments impedes forecast of art sales and marketing.

Given the high propensity to spend on decoration association with hotels, restaurants and offices, and relative to the high growth rate in relation to GDP (3% in 2000 to 10% in 2018. NISR, GDP 2018); hotels and restaurant constitute an important niche market for plastic artworks. The other important sector of the economy is construction whose growth rate in relation to GDP has grown from 4% in 2000 to 14% in 2018 (NISR, GDP 2018), with huge potentials of spending on decoration. It is important for plastic art brokers to build customer loyalty in these two key sectors of the economy with huge potential for art sales. An assessment of past and current levels of art consumption, preferences and supply chains needs to be carried out to inform policy formulation.

4.8.4. Pricing decisions

With a clear brand, well communicated and tailored to the niche market, a pricing model that is suited to the niche market allows to increase sales. There are multiple pricing models and the key is to identify the most suitable one.

- *Cost-plus pricing:* which recovers most of the costs of creating the art (material, labour and time) plus overheads (or administration) costs and a percentage profit.
- *Demanding pricing* is based on the level of demand made by the customer rather than the costs; of course costs would need to be covered by the prices asked. The customer may highly value the art and is prepared to pay for it. The product here is priced for its perceived value.
- *Competitive pricing* is based on the pricing of competitors. This is used when there is an established market price for the art product.
- *Penetration Pricing Strategy:* Here the product is introduced throughout the market at a lower cost. Penetration pricing is the pricing technique of setting a relatively low initial entry price, usually lower than the intended established price, to attract new customers. The strategy aims to encourage customers to switch to the new product because of the lower price (Chavan, undated, p.80)
- *Skimming Pricing Strategy:* Skimming pricing strategy emphasizes on launching the product at a high price. This strategy is effective when the potential market size is limited, buyers are willing to pay high price and potential competition is limited. (Chavan, undated, p.80, p.80).

Surprisingly little research has been reported on optimal pricing of cultural products. However, it seems clear that the demand for an individual new product, such as a particular new movie or record album, is not very sensitive to the price charged. For example, in the record industry, price increases are typically introduced by raising the price of all new issues, while product already issued remains unchanged in price. If sales were very price sensitive one would expect disproportionate sales for albums released in the month before a price increase compared with those released in the month after an increase, but such does not appear to be the case (Smith & Smith, 1986).

It is important not to mistake the lack of literature for lack of correlation between pricing model and art consumption. A study done in Croatia on the perception and behavior of the audience linked pricing, perception and brand communication to the level of art consumption. Obviously, the macroeconomic conditions remain the underlying factor.

According to Mirna Leko Šimić et al, barriers to choosing art as a free time solution within defined factors can be observed as functional and emotional. One of the basic functional elements is price. Price is, no doubt, of significant importance for choice of any cultural consumption. GDP per capita in Osijek-Baranja County (Croatia) in 2013 was 8,271 Euro per capita. The unemployment rate in December 2013 was as high as 32.1%, and in the group of young population 15-24 it was 20.5%. (HZZ, 2014). Still, it is not detected as a significant difference between observed segments of those who are regular visitor (heavy users) compared to those who are not frequent consumers of paid art (light or non-users). Price is an issue to all.

Without awareness of what is benefit for that price, need for cultural consumption cannot be created. This is also true for Rwanda. There are many accounts of artists who organize concerts and set the timing to be from 22 hours to midnight. Yet the star performer only arrives at the stage at 2 AM. This kind of communication impacts arts consumption. It affects negatively the brand equity and return on investment. Mirna Leko Šimić et al continue that the main functional deviation is related to lack of information on the quality of art proposed – the majority of audience is not familiar with the product proposed and/ or the experience promised. This is followed by emotional element – perception that they would not get the value paid for (possible reasons from their point of view are inadequate repertoire and unfriendly stuff).

It is necessary to clarify that in this case unfriendly and unapproachable stuff perception is not result of experience, but related to stereotypes. Cultural products' success depends largely on the values attached to their consumption. When a huge segment of people thinks that attending a concert or an art show needs special preparation and is not for everybody (not related to age, but to education and social status), they do not feel that they belong there.

There is also the issue of communications channels with the audience, as a prerequisite of building integrated communication strategy toward target audience, ensuring highest communication reach the maximum audience. *Igisope* is a genre of music that has a big connotation of an ambiance and experience both offered and received when the audience pay for and attend an *igisope* show/performance. It is mostly associated with a segment of adults and communicated as such. This type of communication tend to limit the targeted audience and the level of consumption. Pricing decisions have to be intelligent, bank on the experience proposed and communicated, but also on brand equity. Consumers pay for the experience and perception, which both are core determinants of the value attached to the proposed art.

4.8.5. Distribution

The nature of distribution decisions varies significantly by type of cultural product. An important question in the movie industry is identifying the optimal distribution strategy for a film. At issue is how the distribution can be optimized to best capitalize on the size of the potential audience for the film and how enjoyable the movie is for members of the potential audience. A major premise of such decisions is that the optimal distribution strategy depends on whether word-of-mouth reaction will be predominantly positive or negative (Mahajan, Muller, & Kerin, 1984).

The alternative release pattern for movies can be characterized by the time profile of distribution intensity in a market. In the pre-blockbuster era, this intensity would typically

increase over time. Movies were usually given an exclusive first run in one theatre per regional market, followed by a second run at a number of theatres, before finally going to wide release in the regional market. This strategy facilitated the use of a price discrimination policy, with first-run theatres able to charge higher prices. In addition, by relying on word-of-mouth recommendations, it minimized advertising expenses. Now, most U.S. blockbuster movies are given saturation television advertising to generate high levels of awareness before opening simultaneously in all North American regional markets. These movies usually have their widest distribution in the first week of release, with the intensity declining over successive weeks as the box-office volume declines. Both Inman & Wheat (1992) and Krider & Weinberg (1992) found they could estimate a successful movie's weekly box office receipts using models which assumed receipts declined exponentially from a peak in the first week of release. This wide release pattern, with its high first weekend box office figures, also helps generate excitement amongst all members of the cultural production system. It is very important to study the distribution models of the local art and establish how the market responds on various models if an optimal strategy is to be found.

4.8.6.   The product concept: management

Ryan (1991) argues that one way marketing plays an important role in the management of cultural products is by reducing the inherent uncertainty of the audience's reaction to creative efforts. Marketing activities help stabilize demand by positioning creative efforts in the consumers' recognizable conceptual space of stars and styles. In the case of star-based cultural products, such as sound recordings, marketing generally focuses on the artist as an individual (such as Bryan Adams) or as a group (such as Blue Rodeo). The audience must be told and sold on the value of the artist, as a persona, through the use of signs which are understood by the audience. The star system is then working when any new product released under the name will attract considerable sales without any prior evaluation and will receive media exposure and channel support regardless of its specific creative characteristics. In the case of style-based cultural products, such as genre films or rock music styles, the product appeals to a market segment which is attracted first to the form of cultural product. A new product appeals by maintaining consistency with the genre form or style, while introducing just sufficient innovation to provide some stimulus.

The potential to create stars exists whenever a project achieves sufficient success to attract attention beyond the realm of those normally committed to the particular industry. The promotion which is necessary for a product to achieve that success can be harnessed by a personal manager or publicist to create an identifiable star image for the artist most associated with the success (Rein, Kotler, & Stoller, 1990). Thus Ryan (1991, pp. 198-207) details such examples as the planned packaging of Kylie Minogue as a "teen idol symbol" and Bruce Springsteen as a "millionaire blue collar worker" through publicity and

promotional efforts channeled through the mass media. A rating system by stars and genres would make a difference in establishing the trends in consumer wants, perceptions and preferences as highlighted above; it should therefore be introduced.

4.8.7. New product development

The products of the cultural industries have relatively short life cycles. Thus, it is the development of a stream of new products that achieve considerable success that distinguishes successful artists and products. But each new product can be unique, risky, and involve high up-front costs. For example, the cost of an average Hollywood studio production soared from under U.S.$10 million to over U.S.$25 million between 1980 and 1990, with a further U.S.$10 million or more required for marketing and distribution (Squire, 1992). Yet, these amounts are often committed based on an assessment of a script and the identity of some key participants (producer, scriptwriter, director, and stars), long before there is any information about the likely market interest in a project. Thus, the managerial problem is to identify from a flow of new product ideas (with variable expected production and marketing costs) those to be rejected, those to be reworked and reconsidered, and those to be produced, in order to give an optimal portfolio of products.

4.8.8. Success factors

Broader new product research has used retrospective reports and cross-sectional data (Cooper, 1980; Cooper & Kleinschmidt, 1987) to identify the characteristics of (i) the new product itself, (ii) the new product development process, and (iii) the market environment, which influence success or failure. The most important finding has been a conclusion that the factors most strongly associated with success are generally those most amenable to management action. In contrast, success is not nearly as strongly associated with non-controllable or situational factors, such as market competitiveness, market potential, marketing synergy, and technological synergy (Cooper & Kleinschmidt, 1990; Hise et al., 1990).

4.8.9. Forecasting market potential

A forecast of the potential sales or audience for a new cultural product is essential for evaluating new product projects. Forecasting models (Mahajan & Wind, 1988) require predictions of four key elements. These elements are: (i) the mean purchase or consumption rate for the product category; (ii) the level of awareness generated when the product is first made available; (iii) the trial rate to be expected amongst those made aware; and (iv) the repeat purchase rate and direction of word-of-mouth amongst those who try the new product. Issues which still need to be addressed in this area include modeling the hype surrounding cultural product introductions (Wind & Mahajan, 1987)

and the effects of word-of-mouth (Faber & O'Guinn, 1984).

4.8.10. Stages in the new product development process

The new product development process consists of five major stages: idea generation, concept testing, design optimization, pre-launch market testing, and market introduction.

Idea generation is important because the more ideas that are actively considered before deciding which one to develop, the more likely an attractive idea will be included (Gross, 1972). Numerous techniques can be used to generate product ideas (Crawford, 1991, Part II), and the more that are employed, the more successful an organization's new product will be (Sowrey, 1990). The relative merits of internally and externally generated ideas still needs further investigation, especially for film and television where outside talent agents and impresarios are beginning to play an important role in packaging new projects that feature the stars they represent.

Concept testing (Tauber, 1981) uses low-cost consumer responses to eliminate ideas which have little chance of market success before much money is spent. It has long been used for films (Handel, 1950; Austin, 1989) and U.S. network television (Stipp & Schiavone, 1990). Concept tests can predict trial, but not ultimate success, because success also depends on what the product ultimately delivers (Fauker, 1975). For the cultural industries, it may be useful to also conduct concept tests on distributors and critics, whose reactions may be just as critical to success.

Design optimization is always necessary, because any new product requires numerous decisions about what attribute levels to offer in the marketplace. Conjoint analysis (Green & Srinivasan, 1990) has been widely used for this purpose (Wittink & Cattin, 1989). However, its applicability to cultural products needs further research because of the greater importance of the gestalt-like properties of products such as books or movies (Holbrook & Moore, 1980).

Pre-launch market testing (Silk & Urban, 1978) can be used to predict trial, repeat use, and word-of-mouth for products that are close to their finished form. It is more valuable for projects with high launch costs, such as films, newspapers, and new multimedia technologies. Its applicability may be greater for products which are typically experienced once, such as movies and television, than products which are experienced repeatedly, such as recordings and video games, where evaluations may change with repeated exposures (Schindler, Holbrook, & Greenleaf, 1989). One common form of pre-launch market testing, pilot testing, is widely used for film (Austin, 1989) and television (Stipp & Schiavone, 1990). It can be used to guide final editing, to identify target segments, and to choose promotional themes. Paramount is reported to have shot a new ending

for Fatal Attraction because test audiences gave the original a thumbs down (Diamond, 1989). Work is now underway to incorporate pilot testing results into a integrated model for the marketing of motion pictures (Eliashberg & Sawhney, 1991). The pre-market testing of cultural industry products is complicated by the fact that their function is not just commercial; their success is also aesthetic and cultural (Hirschman, 1983).

The market introduction of a new cultural product requires the use of standard consumer marketing research techniques, such as focus groups and surveys, to develop an appropriate marketing mix. For films, Austin (1989) reviews methods for testing alternative titles, determining what aspects are most appealing, positioning for promotional purposes, designing trailers, and media selection.

In summary, cultural products tend to have a short life cycle, thus they need to acquire the biggest market possible for them to be considered successful. The success depends on the product, product development process and the market environment. This means that not just any production will be successful. Success has to be prepared. The initial concept(s) have to be tested, product designs optimized and pre-launch market well examined. The success of cultural products requires a well thought process, aligned to the needs of the market. Thus, artists need to be introduced in this new way of thinking and doing business if they want to succeed.

4.8.11. The case of brand equity

The building block of marketing Rwandan artworks is to build a reputed brand.

A brand is defined by customers' overall perception of plastic art, plastic artists and plastic artworks in Rwanda. It is therefore crucial to ensure that Rwandan artists and artworks have a positive image on the market. A successful brand has to be consistent in communication and experience, across many applications: environment (storefront or office), print, signage, packaging, finishing, flagship, association, publicity, marketing, customer service, client value building… Building a brand is not a status; it is rather a journey. It is built by customer loyalties and values and it is supported by long-term relationships, efficiencies, collaborations and constant adaptation to market needs. This can lead to a steady increase in sales, more projects, word-of-mouth referrals, and advocacy for products or services.

Brand building refers to generating awareness about the artworks using marketing strategies and campaigns with the goal of creating a unique and lasting image in the marketplace. Brand building requires determining the audience or niches. The brand has to be specific to the selected niches: if it is hotels and restaurants or new buildings, artworks have to be very specific to these niches. A golden example is the montage of

"Agaseke" on the top of the new headquarters of Gasabo District under construction. Notice the harmony between the "Agaseke" montage on the building hosting "Gasabo" District. There is meaning and identity created. This is where the creative and critical thinking and design become useful as they help to come up with proofs of concept. The niche markets have to be clearly understood in their financial capacity, tastes in arts, cultural background and message, intent and interests, preferences, seasonality, peaks and lows. The brand has to respond to all of these aspects of the client's needs and wants. The brand has to convey a meaning and an identity. It can be associated with "Made in Rwanda" campaign to convey that sense of identity. It can also be associated with Rwandan culture and values… the key point is to have a meaning and covey a message. It is through this mission statement of the brand that customer loyalty is built. Through the brand, the uniqueness and competitive advantage over competitors have to be established. The brand then has to be communicated, promoted and customer loyalty pitched for.

Brand names and their value to firms are at the heart of current research interest in brand equity (Aaker, 1991). The cultural industries could provide a particularly interesting environment for brand equity research because the brand equity generated by successful cultural industry projects may exist at the firm (CBC or Alliance Entertainment Corporation), program (National Geographic), or performer level (The Ben). The long-term performance contracts, with complex option structures, that characterize the sound recording, publishing, movie, and television production industries may be explained as a means of conserving equity that is generated for a program or a performer by the success of a company's investment.

4.8.12. The production concept: general production management and organizational analysis

All aspects of business research are concerned with various facets of the management of the firm. This section deals with research on the best ways to organize the firm's activities. Probably the most critical management issue in the cultural industries is how best to manage organizations that require both business skills and creative expertise to function. Litwak illustrates the problem:

Hollywood is a town divided into two camps: creative and business--each suspicious of the other. Writers, directors and artists are members of the creative community. According to the businesspersons, creative types are wonderfully talented people but, like children, cannot be trusted with money. On the other hand, says the creative community, studio executives, producers and agents are businesspersons who are concerned only with making money and have no taste or artistic sensibility. (1986, p. 55).

If art and artists in Rwanda are going to be successful, it is important to understand that art and business are two sides of a same coin. It is important to understand that to art there is a business side. It is also important to note that the business side has managerial conditions to succeed.

On the managerial side, for example, the sound recording and feature film industries place a heavy reliance on subcontracting and freelance talent. These industries thrive on short-term contracts, minimization of fixed overhead, mutual monitoring of buyers and sellers, and a constant weaving and interweaving of credits, relationships, and successes or failures. But the ostensibly open competition that one might expect to pervade these markets is minimal (Peterson & White, 1981). Instead, recurrent small-numbers contracting is the norm.

Most importantly, on the production side, nine times out of ten art consumers are interviewed about factors leading their preferences and tastes in terms of local vs foreign art, the response is likely to revolve around quality of the art product, the experience offered by cultural events, and the emotion provoked. These aspects all are part of the quality of the art. Quality improvements require production processes improvements and solving binding constraints.

5   THE CULTURAL AND CREATIVE INDUSTRIES

Cultural and creative industries in Rwanda have diverse and multifaceted challenges that largely depend and are specific to each type of art. Hence, a type profile offers more specified perspective into the reality of each art type.

6   THE FILM INDUSTRY

6.1. Definition

A film consists of moving pictures that have been recorded so that they can be shown at the cinema or on television. A film tells a story, or shows a real situation.

6.1.1. Action

An action story is similar to adventure, and the protagonist usually takes a risky turn, which leads to desperate situations (including explosions, fight scenes, daring escapes, etc.). Action and Adventure are usually categorized together (sometimes even as "action-adventure") because they have much in common, and many stories fall under both genres simultaneously (for instance, the James Bond series can be classified as both).

6.1.2. Adventure

An adventure story is about a protagonist who journeys to epic or distant places to accomplish something. It can have many other genre elements included within it, because it is a very open genre. The protagonist has a mission and faces obstacles to get to their destination. Also, adventure stories usually include unknown settings and characters with prized properties or features.

6.1.3. Comedy

Comedy is a story that tells about a series of funny, or comical events, intended to make the audience laugh. It is a very open genre, and thus crosses over with many other genres on a frequent basis.

6.1.4. Crime

A crime story is about a crime that is being committed or was committed. It can also be an account of a criminal's life. It often falls into the action or adventure genres.

6.1.5. Drama

Within film, television and radio (but not theatre), drama is a genre of narrative fiction (or semi-fiction) intended to be more serious than humorous in tone, focusing on in-depth development of realistic characters who must deal with realistic emotional struggles. A

drama is commonly considered the opposite of a comedy, but may also be considered separate from other works of some broad genre, such as a fantasy.

6.1.6. Science fiction

Science fiction is similar to fantasy, except stories in this genre use scientific understanding to explain the universe that it takes place in. It generally includes or is centered on the presumed effects or ramifications of computers or machines; travel through space, time or alternate universes; alien life-forms; genetic engineering; or other such things. The science or technology used may or may not be very thoroughly elaborated on; stories whose scientific elements are reasonably detailed, well researched and considered relatively plausible given current knowledge and technology are often referred to as hard science fiction.

5.1.1. Film crew

Motion picture projects have three discrete stages: development, production and distribution. Within the production stage there are also three clearly defined sequential phases — pre-production, principal photography and post-production. Distinctions are also made between above-the-line personnel (such as the director, the screenwriter and the producers) who begin their involvement during the project's development stage, and the below-the-line "technical" crew involved only with the production stage.

6.1.7. A film director

A person who directs the making of a film. The director most often has the highest authority on a film set. Generally, a film director controls a film's artistic and dramatic aspects and visualizes the screenplay (or script) while guiding the technical crew and actors in the fulfillment of that vision. The director has a key role in choosing the cast members, production design, and the creative aspects of filmmaking.

6.1.8. Production

Production is generally not considered a department as such, but rather as a series of functional groups. These include the film's producers, executive producers, and production office staff such as the production manager, the production coordinator, and their assistants; the various assistant directors; the accounting staff and sometimes the locations manager and their assistants.

6.1.9. Producer

A film producer creates the conditions for filmmaking. The producer initiates, coordinates, supervises, and controls matters such as fund raising, hiring key personnel, and arranging for distributors. The producer is involved throughout all phases of the film making process from development to completion of a project. There may be several producers on a film who may take a role in a number of areas, such as development, financing or even production.

6.1.10. Executive producer

An executive producer (EP) is a producer who was not involved in the technical aspects of the filmmaking process in the original definition, but has played a financial or creative role in ensuring that the project goes into production. Today, however, the title has become ambiguous, particularly in feature films. Since the 1980s, it has become increasingly common for the line producer to be given the title of executive producer, while the initiating producer takes the "produced by" credit. On other projects, the reverse happens, with the line producer taking the "produced by" credit. So the two credits have become effectively interchangeable, with no precise definition.

6.1.11. Line producer

The line producer is the liaison between the studio or producer and the production manager, responsible for managing the production budget. The title is associated with the idea that they are the person who is "on the line" on a day-to-day basis, and responsible for lining up the resources needed.

6.1.12. Production manager

The production manager supervises the physical aspects of the production (not the creative aspects) including personnel, technology, budget, and scheduling. It is the production manager's responsibility to make sure the filming stays on schedule and within its budget. The PM also helps manage the day-to-day budget by managing operating costs such as salaries, production costs, and everyday equipment rental costs. The PM often works under the supervision of a line producer and directly supervises the production coordinator.

6.1.13. Production accountant

Production accountants manage the money and ensure the production comes in on budget

and everyone gets paid. The industry is notorious for unusual accounting methods that are collectively labelled Hollywood accounting. Production accountants are often assisted by assistant accountants, sometimes called clerks, responsible for accounts receivable, accounts payable and payroll.

6.1.14. Location manager

Oversees the locations department and its staff, typically reporting directly to the production manager or assistant director (or even director or executive producer). Location manager is responsible for final clearing (or guaranteeing permission to use) a location for filming and must often assist production and finance departments in maintaining budget management regarding actual location/permit fees as well as labor costs to production for the locations department at large.

6.1.15. Location scout

Does much of the actual research, footwork and photography to document location possibilities. Often the location manager will do some scouting themselves, as well as the assistant location manager.

6.1.16. Unit publicist

The publicist liaises between the film production and the media. They create press releases, in collaboration with the producers, and work with the unit still photographer.

6.1.17. Legal counsel

Entertainment lawyers negotiate contracts, clear licensing rights for any intellectual property used in the film, obtain tax credits from local governments, and take care of immigration paperwork when cast or crew cross international borders to shoot on location.

6.1.18. System administrator

A system administrator or sys-admin is a person employed to maintain and operate a computer system or network. This role is increasingly important for digital monitors on set, digital intermediate editing and post-production, digital effects, digital sound, and sometimes for full digital production.

6.1.19. Script supervisor

Also known as the continuity person, the script supervisor keeps track of what parts of the script have been filmed and makes notes of any deviations between what was actually filmed and what appeared in the script. They make notes on every shot, and keep track of props, blocking, and other details to ensure continuity between shots and scenes.

An important part of a script supervisor's job is to make sure that actors' movements, the directions they are looking in a shot, particularly when speaking to or responding to another actor, plus the positions of props they are using and everything else matches from shot to shot. If there is an apparent mismatch, the director must be informed immediately so that it can be reshot before the lighting setup is changed or at least before the location is wrapped and the set is struck. Not only does the job of script supervisor require a great deal of awareness and meticulous note-taking skills, it also requires much diplomacy to advise the director that they may have a problem editing something just recorded. The script supervisor is also in charge of providing the "official" scene numbers and take numbers to the second camera assistant (clapper loader in some countries) for the slate, as well as to the sound mixer, and to clearly note which take the director has chosen to be used (as a "print," in film terms) in the finished product. All of this information is then relayed to the editor every day after shooting has wrapped in the form of copies made of both the script supervisor's notes as well as their matching script pages.

6.1.20. Casting director

The casting director chooses the actors for the characters of the film. This usually involves inviting potential actors to read an excerpt from the script for an audition.

6.1.21. Director of photography

The director of photography, DoP or DP, is in charge of the look of the "frame" of the movie shots, hence the name "photography". They are the chief of the camera and lighting crew of the film. The DoP makes decisions on lighting and framing of shots in conjunction with the film's director. Typically, the director tells the DoP how they want a shot to look, and the DoP chooses the correct lens, filter, lighting and composition to achieve the desired aesthetic effect. The DoP is the senior creative crew member after the director.

The term Cinematographer is usually synonymous with director of photography, though some professionals insist this only applies when the director of photography and camera operator are the same person.

6.1.22. Camera operator

The camera operator uses the camera at the direction of the cinematographer, director of photography, or the film director to capture the scenes on film or video. Generally, a cinematographer or director of photography does not operate the camera, but sometimes these jobs may be combined.

6.1.23. Digital imaging technician

On digital photography productions the digital imaging technician, or DIT, is responsible for the coordination of the internal workings of the digital camera. Under the direction of the cinematographer or director of photography, the DIT will make adjustments to the multitude of variables available in most professional digital cameras to creatively or technically manipulate the resulting image. It may also be the responsibility of the DIT to archive and manage the digital data, create compressed dailies from raw footage and prepare all digital images for post-production.

6.1.24. Steadicam operator

A steadicam operator is someone who is skilled at operating a Steadicam (trademark for a camera stabilization rig). This person is usually one of the camera operators on the production.

6.1.25. Motion control technician/Operator

This technician operates a motion control rig, which essentially is a 'camera robot' able to consistently repeat camera moves for special effects uses. Motion control rigs are typically rented with an experienced operator.

6.1.26. Gaffer

The gaffer is the head of the lighting department, responsible for the design of the lighting plan for a production. Sometimes the gaffer is credited as chief lighting technician.

6.1.27. Lighting technician / Electrics

Also called Electrics or Lamp Operators, Lighting technicians are involved with setting up and controlling lighting equipment and temporary power distribution on set.

6.1.28. Grip

Grips are trained lighting and rigging technicians. Their main responsibility is to work closely with the electrical department to put in the non-electrical components of lighting set-ups required for a shot, such as flags, overheads, and bounces. On the sound stage, they move and adjust major set pieces when something needs to be moved to get a camera into position. In the US and Canada they may belong to the International Alliance of Theatrical Stage Employees.

6.1.29. Production sound mixer

The production sound mixer (or sound recordist) is the head of the Sound Department on location and is responsible for the operation of the audio Mixer and Recorder(s) that receive feeds from the microphones on set. It is their responsibility to decide how they will deploy their team to capture the sound for each shot, select which microphones will be used for each setup, mix audio from all of the microphones in real time into a "mix track" that will be used while viewing rushes and during the edit. Sometimes in the final film, and to maintain logs of audio related issues for post-production. The sound mixer is considered a department head, and is thus completely responsible for all aspects of production sound.

6.1.30. Art department

The art department in a major feature film can often number hundreds of people. Usually it is considered to include several sub-departments: the art department proper, with its art director, set designers and draftsmen; set decoration, under the set decorator; props, under the props master/mistress; construction, headed by the construction coordinator; scenic, headed by the key scenic artist; and special effects.

6.1.31. Production designer

The production designer is responsible for creating the visual appearance of the film – settings, costumes, character makeup, all taken as a unit. The production designer works closely with the director and the director of photography to achieve the look of the film.

6.1.32. Art director

The art director reports to the production designer, more directly oversees artists and craftspeople, such as the set designers, graphic artists, and illustrators who give form to the production design as it develops. The art director works closely with the construction

coordinator and key scenic artist to oversee the aesthetic and textural details of sets as they are realized. Typically, the art director oversees the budget and schedule of the overall art department. On large-budget productions with numerous sets and several art directors, one might be credited as supervising art director or senior art director.

6.1.33. Set designer

The set designer is the draftsman, often an architect, who realizes the structures or interior spaces

6.1.34. Set decorator

The set decorator is in charge of the decorating of a film set, which includes the furnishings and all the other objects that will be seen in the film. They work closely with the production designer and coordinate with the art director. In recognition of the set decorator's importance, the Academy Award for art direction is given jointly to both the production designer and the set decorator.

6.1.35. Costume designer

The costume designer is responsible for all the clothing and costumes worn by all the actors that appear on screen. They are also responsible for designing, planning, and organizing the construction of the garments down to the fabric, colors, and sizes. The costume designer works closely with the director to understand and interpret "character", and counsels with the production designer to achieve an overall tone of the film. In large productions, the costume designer will usually have one or more assistant costume designers.

6.1.36. Special effects

This department oversees the mechanical effects—also called practical or physical effects—that create optical illusions during live-action shooting. It is not to be confused with the Visual effects department, which adds photographic effects during filming to be altered later during video editing in the post-production process.

6.1.37. Stunt coordinator

Where the film requires a stunt and involves the use of stunt performers, the stunt coordinator will arrange the casting and performance of the stunt, working closely with the director and the 1st AD.

6.1.38. Film editor

The film editor is the creative head of the post production department and is responsible for assembling the picture into a cohesive edited story, with the help of the director. They are primarily responsible for selecting performances of the actors with the director, adjusting the tempo, pace, and structure of the final edited film. In some cases, the editor may help restructure the story of a film differently from the original script to focus a story point, or increase an emotional response from the audience. They are also involved with providing feedback on the sound mix, visual effects, and music with the director. They can also collaborate with the colorist and director of photography to adjust framing for mood or eye trace. There are usually several assistant editors who creatively support the editor as well as manage footage and data for the entire post production team.

6.1.39. Post-production supervisor

Post-production supervisors are responsible for the post-production process, during which they maintain clarity of information and good channels of communication between the producer, editor, supervising sound editor, the facilities companies (such as film labs, CGI studios and negative cutters) and the production accountant. Although this is not a creative role, it is pivotal in ensuring that the film's post-production budget is manageable and achievable, and that all deadlines are met. Because large amounts of money are involved, and most of a film's budget is spent during production, the post-production period can often be difficult and challenging.

6.1.40. Visual effects producer

The visual effects producer works with the visual effects supervisor to break down the script into storyboards, and advises the director as to how s/he should approach the scenes. Together they determine which sequences are to be shot as live action elements, which would work well in miniature, and which (if any) should be computer generated.

6.1.41. Sound designer

The sound designer, or supervising sound editor, is in charge of the post-production sound of a movie. Sometimes this may involve great creative license, and other times it may simply mean working with the director and editor to balance the sound to their liking.

6.1.42. Dialogue editor

The dialogue editor is responsible for assembling and editing all the dialog in the soundtrack.

6.1.43. Sound editor

The sound editor is responsible for assembling and editing all the sound effects in the soundtrack.

6.1.44. Re-recording mixer

The re-recording mixer balances all of the sounds prepared by the dialogue, music and effects editors, and finalizes the films audio track.

6.1.45. Composer

The composer is responsible for writing the musical score for a film.

6.1.46. Foley artist

The foley artist is the person who creates the post-sync sound effects for a film. These sound effects are recorded in sync to picture and are mostly body movements, footsteps or object manipulations. The most common reason for recording these effects live to picture is the fact that such sounds are lost when the dialogue is removed to be replaced by a foreign language version. Unsatisfactorily recorded sync sound effects can also be replaced with foley effects. Foley artists are also known as foley walkers. Foley is named after its first known practitioner, an early hollywood sound editor named Jack Foley.

6.2. The film industry: critical issues in practice, current research, and new directions. Case study of Hollywood motion picture industry

An understanding of audience behavior is fundamental to shedding more light on the challenges faced by film producers, distributors and exhibitors. Jowett (1985) provides an informative review of movie audience research in the first half of the 20th century.

He observed that "no major American industry ever operated with so little research of its market as did the motion picture industry during the period of its greatest influence, from its early years until the mid-1950s." It was not until the 1940s that the industry began to move beyond anecdotal studies to more systematic research methods, most often regularly administered surveys.

6.2.1. Production

The development of a motion picture is a long succession of creative decisions with far-reaching economic implications for the different players involved. Each movie's development process is unique, but some general observations can be made. The process commonly begins with a story concept based on a literary property, a new idea, or a true event (Vogel 2001, Squire 2004), which can vary from a general idea (a "pitch") to a completed screenplay (a "spec"). In some cases, a studio or producer will ask a writer to develop a new (or adapt an existing) screenplay. Usually, however, with help from a literary agent, a writer submits a first draft of a screenplay for review to a number of independent and/or studio-affiliated producers. If a producer is interested—many screenplays never pass this stage—both parties usually sign an option agreement, which gives the producer the right to purchase the complete screenplay and the writer an advance payment (of which the literary agent takes a percentage).

At this point, substantial financing is required to take the project into production. Financing is less problematic if the producer is affiliated with a studio (an example is the deal that Ron Howard and Brian Grazer's production company *Imagine Entertainment has made with Universal Studios*). By signing a studio contract, a producer usually gives up a wide range of rights relating to sequels, spin-offs, merchandising, and other opportunities, but at the same time increases his chances of securing bank loans or tapping into the studio's own capital, and of securing favorable distribution and exhibition deals for completed movies.

Such contracts are beneficial from the studio's perspective because they guarantee the inflow of products from firms with solid track records. Financing is significantly more problematic if the producer does not have a pact or a deal with a studio, which is the case for many projects. In that case, the producer will have to obtain initial financing from other sources, which is particularly difficult when no distribution deals are guaranteed (Vogel 2001).

While they pursue different fund-raising options, producers also have to develop the film along other lines: they recruit the director, cast, and crew; scout possible shooting locations; and design sets and costumes, among other things. Talent agents (such as Creative Artists Agency (CAA) and International Creative Management, Inc. (ICM)) play a key role in these activities. At this stage, producers also determine an estimated production budget, based on such factors as the script, likely postproduction expenses (e.g., for special effects), star salaries, and financing possibilities. After these activities, which are all part of the preproduction phase, the project enters the actual production phase in which the film is shot. This usually lasts a few months. Next, the project enters post-production, which consists of activities such as editing, dubbing, creating special effects, and adding

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music. Before it can be released in a particular country, the movie also needs to be rated (e.g., by the Motion Picture Association of America (MPAA) in the United States).

The above description applies mostly to the movie development process in the United States. Movies originating in Hollywood dominate box-office rankings across the globe. However, of the more than 4,000 movies produced worldwide each year, only about 700 are produced in the United States (MPAA 2004, also see Scott 2005). India is the most productive country. Its motion picture industry, sometimes referred to as Bollywood, produced more than 1,000 films in 2001, which together generated over 45 billion rupees (at the time close to $1 billion) in revenues (U.K. Film Council 2002). Overseas markets such as the United Kingdom have become increasingly lucrative for Indian films, sometimes generating nearly a third of total revenues, allowing for higher production budgets. With the notable exception of India, Hollywood products dominate major markets around the world. Even in countries with highly acclaimed local productions, such as France and Italy, non-U.S. movies often account for only a small fraction of box-office grosses (European Audiovisual Observatory 2003).

Financing the development of a movie is an extremely risky decision rooted in artistic and business considerations. An important puzzle in the film industry is why movies that flop miserably at the box office eve get made? Caves (2001) provides arguments for why such "ten-ton turkeys" advance through the development process. He suggests that when costs are sunk progressively and information on a project's quality is revealed gradually, rational decision makers can carry projects to completion that realize enormous ex-post losses. *The movie The Adventures of Pluto Nash*, which cost over $100 million to produce but earned less than $5 million in U.S. theaters, is an example of such a type II error. Type I errors, which involve rejecting a potentially successful project, are also a common practice in the industry: a recent example is *The Passion of the Christ*, the highest-grossing independent movie to date, which was reportedly turned down by several major studios (Quelch et al. 2004).

It is because of the "triggering" effect outlined by Caves (2001) that mistakes in the green-lighting process—the initial decision to approve or decline a project—are so costly. While maximizing the green-lighting success rate (i.e., minimizing the two types of errors) is extremely challenging, it is staggering to discover how little science usually goes into the process. A senior executive at a major studio described the process as follows: "We bring together all studio department heads. Beforehand, our financial department prepares an overview of key estimates to get a sense of the financial viability. It really revolves around the production costs. That is our most reliable estimate, and that thus forms the basis for our launch decision. The idea is to work towards the bottom line. We ask ourselves whether we can recover our production costs, and whether there is room to spend on marketing. In the end; though, it comes down to the fact that someone has to sign off

on the deal. Someone in the meeting has to put his or her reputation on the line and say 'yes'—regardless of whether the numbers add up" (Elberse 2002).

The following questions may capture some particularly worthwhile research avenues:

- How should agents and other intermediates bring screenplays to the market?
- What screenplays are/should be picked up by studios—and why?
- How is the green-lighting decision-making process currently structured, and how can it be improved? The focus here could be on designing appropriate stage-gate procedures with specific metrics and milestones that allow for shelving or aborting the project, committee composition, and voting rules, among other things.
- What determines the manner in which projects progress (or fail to progress) in the development funnel? How do studios make the trade-off between artistic and business objectives? How can this process be optimized?
- Can accurate forecasting models be developed based on very early information and indicators, such as a movie's script, the cast, and the expected rating?

We anticipate improvements in the accuracy of risk assessments by studios and independent production firms. As far as reducing risk and creating return on investment is concerned, we conjecture that there will be an increasing reliance on content that audiences are familiar with.

Producing movies is very costly and very risky. In 2003, a major studio movie required nearly $64 mil-lion in production ("negative") costs and another $40 million for prints and advertising costs (MPAA 2004), yet most movies never recoup those costs. Desai et al. (2002) describe three main risks that motion pictures face: *completion risk, performance risk, and financial risk*. Films face completion risk due to the high level of required investment and the changing motivations and relationships between producers, talent, and financiers. They face performance risk because factors such as the uncertain appeal of stars and the fickle reactions of audiences and critics make it difficult to accurately predict revenues and profits; each movie is unique. For that very reason, equity investors face financial risk as well. Desai et al. (2002) argue that, in line with an increase in production and marketing costs, the level of financial risk for equity investors has increased steadily since the 1980s. Higher dollar returns are now required to yield a positive net present value for investors. Many individual and institutional investors have been disappointed by the return on investment. Managing increased costs with fewer potential investors has created a serious funding problem for major studios and independents alike.

One way that studios are coping with risk is pursuing franchises based on properties with demonstrated appeal in the marketplace. Studios are capitalizing on brand equity. The popularity of movie sequels best exemplifies this trend. It is by no means unique to

the motion picture industry; "tweaking" established for-mats is a popular strategy in other creative industries, such as television and video games (*Variety* 2004a, b). However, the prevalence of sequels (and prequels or beginnings) in Hollywood is striking. At least a dozen sequels were shown in theaters in the summer of 2003 alone (*Variety* 2003d). There are a number of reasons for this preference for sequels. They appear to outperform original concepts at the box office; i.e., seem a "safer bet." Of the 10 highest-grossing movies in 2003, four were sequels: *The Matrix Reloaded, X2 X-Men United, Terminator 3, and Bad Boys 2. A fifth, Chicago*, was based on a successful Broadway musical. Furthermore, sequels might be more cost-efficient to develop and market. Exhibitors and other players will display more enthusiasm for a well-established movie property, which makes a wide distribution strategy more viable. Audiences are already familiar with the concept, which makes advertising easier. It is increasingly important that the establishment of a movie franchise also seems advantageous in the home video window—sequels appear to have particularly strong DVD sales—and in ancillary windows such as video games and merchandising (*Variety* 2004a, b).

However, the success of sequels is far from guaranteed. High-profile sequels regularly disappoint at the box office (Variety 2003d). In addition, particularly due to the exploding cost of talent, production costs are often significantly higher for sequels. Marc Schmuger, vice chairman at Universal Studios, commented in this regard: "It's a complex equation that figures in determining whether the sequel is capable of capturing the same level of excitement as the original" (*Variety* 2003d).

Interestingly, Sood and Dreze (2004), who consider movie sequels as brand extensions and focus on the role that their titles play, find that a sequel with a numbered title (e.g., Dare-devil 2) may have a less favorable evaluation than a sequel with a more descriptive title (e.g., *Daredevil Taking It to the Street).*

Studios' eagerness to produce movie sequels, re-makes, and movies based on properties established in other media—such as musicals, books, comics, old TV programs, and video games—is likely to continue. However, it remains to be seen whether pursuing hit franchises based on familiar properties leads to more favorable risk–return ratios.

Promising avenues for further research include:

- To what extent are sequels more profitable than movies based on original concepts?
- What kind of movie is amenable to a successful sequel and what kind is not? What type of market research is most useful in testing for a movie's sequel potential, both before and after the movie has been released?
- What type of contracts are most appropriate for movies with a high "sequel potential?" For example, how should studios contract with actors and other creative talent when a sequel is likely?

- How can studios use sequels to build and sustain valuable franchises? What is the appropriate positioning strategy for a sequel? How can studios best fore-cast and manage revenue streams of sequels in other windows or media?

In addition to assessing and managing risk for one particular movie or for a set of movies based on the same intellectual property, we expect that studios will (and should) pay more attention to risk management across their entire slate of movies. In this regard, we believe that:

6.2.2. More effective portfolio management strategies will help studios to better balance risks and returns

Bringing one movie project to a successful end is difficult enough, but most studios are dividing their attention across a number of projects of various types and in various stages of development. It is difficult to obtain reliable data, but according to one comprehensive database, *Buena Vista* led the major studios with the highest number of projects—27—in preproduction, production, or postproduction in early 2004 (*Showbiz Data* 2004). Even when studios are part of larger conglomerates, it is crucial for a studio to effectively manage its development "pipeline" and care-fully balance risks and returns.

The issue extends to finding the optimal portfolio of movie types—in terms of genre, storyline, age restriction (e.g., De Vany and Walls 2002), star power, and so on—that protects a studio against changing audience tastes. In general, a portfolio-based organizational structure is believed to lead to improved performance due to the development of specialized skills. In the movie business, for instance, Focus Features, a production and distribution unit of Universal Pictures, has three units, each specializing in a particular genre: "upscale action," "thriller," and "urban fare." Bob Wright, chairman and CEO of *NBC Universal*, commented on the need for studios to have areas of expertise: "I see Universal focusing on come-dies and action films. Those have been areas of real strengths" (*Wall Street Journal* 2004d). Other portfolio dimensions include original versus familiar concepts (e.g., remakes and sequels), low versus high budget, in-house financing versus co-financing, track-record talent versus new creative talent, and acquisition versus in-house development.

Studios have dealt with the uncertain success of producing movies by being acquired by large conglomerates and by increasingly turning to co-financing risk-sharing arrangements. For instance, while there was only one multi-studio effort in 1993, 11 major releases in 2003 were co-ventures (Variety 2003b). In most cases, the parties involved agree to share the costs of a picture that appears to be a particularly risky proposition because of its storyline, creative talent, or production budget. Such co-financing deals usually take shape at the green-lighting stage, when estimates show that additional financial support is needed to safely go ahead with a project. Recent examples include Seabiscuit *(Universal*

(30%), Dream-works (30%), and Spyglass Entertainment (40%) shared the $87-million budget)*, Master and Commander The Far Side of the World (Fox (50%), Miramax (25%), and Universal (25%) shared the $120-million budget), and Peter Pan (Sony (33%), Revolution (33%), and Universal (33%)* shared the $102-million budget) *(Wall Street Journal 2003)*. Some of these arrangements follow from ongoing production relationships between the companies involved; others are one-time deals.

Several other factors affect studio's portfolio decisions. Producers who can bring substantial amounts of money to the table increasingly gain access to studios and drive project selection decisions (*Variety* 2003a). Some agencies have set up production funds to remove the financial burden from studios and generate jobs for their clients (*Variety* 2003b). Start-up companies offering novel ways of financing movies have entered the marketplace. One example is Civilian Pictures, which gives investors the chance to participate in small-budget films by offering film-specific initial public offerings (IPOs). Studios are growing more dependent on companies able to tap into over-seas subsidies and tax incentives.

Effective portfolio management strategies may also help secure product placements, which can help reduce costs—and thereby risks. Product placements have proliferated in many forms of entertainment, but the opportunities in motion pictures appear to be particularly lucrative, having reached a new high when Samsung paid a reported $100 million to associate itself with *The Matrix Reloaded* (*Variety* 2003e). The phenomenon can be traced back to the late 1940s, when companies like *Proctor & Gamble* first asked for their products to be worked into scripts. Placement deals come in a variety of forms. They range from spontaneous give-away deals where no money changes hands but the product is deemed useful from a creative perspective (as was the case with *Reese's Pieces in ET and BMW's* first deal with the *James Bond* franchise) to fully planned placement deals that are exactly stipulated in the script against a fee. In some occasions, movie stars are required to participate in commercials for the product. Given the rise of new technologies (such as DVR) that allow consumers to skip commercials, product placements may become a more popular option for brand managers seeking to expose consumers to their products.

As product placements blur the line between entertainment and advertising (or art and commerce), research addressing two perspectives is called for. From the movie producer's perspective, the key issue is determining consumers' threshold level for product placement. From the advertiser's standpoint, the key questions are: (1) What movies or movie scenes best capture the consumers' attention? and (2) What is the value of product placements relative to traditional media vehicles such as 30-second television commercials?

Relevant research questions include:

- Does co-financing lead to greater profitability for studios; what is the impact of co-financing deals on relationships with other players? For example, if two or more major studios co-finance a picture, does that give them a stronger foothold in the exhibition market for that movie, and therefore less competition? Or does softer competition mostly play out on the demand side?
- What portions of a studio's slate of movies are to be financed by the studio itself, acquired from independent production firms, or funded in other ways? What other sources of finance should studios tap?
- Studios currently appear to define their core competencies in terms of project size and genre. Along what other dimensions can they organize their portfolios?
- Are some studios "better" at managing their pipeline? Is there a significant difference between studios' success rates? If so, what are the determinants?
- How effective is product placement in reaching a target audience, in particular, relative to traditional means of advertising? What is the value to advertisers? Are product placements acceptable to moviegoers? Under what conditions?

Studios share risk not only with investors or with other studios, but also with the talent involved in the production. The conventional contract between the studio and the talent has two main parameters: fixed and performance-based compensation. We anticipate that:

6.2.3. Conventional contractual arrangements with talent will come under pressure

Thousands of people with creative roles are employed in the motion picture industry in the United States alone; most of them work for low salaries. However, an extremely small group is able to command much higher salaries—superstars like Tom Cruise, Tom Hanks, and Julia Roberts may receive salaries of up to $20 million for a movie. In some instances, stars are even able to command a percentage of the gross revenues. Tom Cruise's profit-sharing arrangement for *Mission Impossible II* is legendary—it reportedly yielded over $70 million. Such salaries weigh heavily on movies' overall production budgets.

Several researchers have studied the effect of star power. Most studies consider star power as one of the covariates in a regression model with box-office performance as the dependent variable (e.g., Litman 1983, Litman and Kohl 1989, Sochay 1994, Litman and Ahn 1998, Wallace et al. 1993). Focusing solely on the role of stars, Albert (1998) empirically shows that stars serve as the most consistent "markers" for successful films; this, he argues, explains their power in Hollywood. But De Vany and Walls (1999), using a probability modeling technique, conclude that audiences make movies into hits, and

"no amount of 'star power' or marketing can alter that." In another study on the role of stars, Ravid (1999) finds no correlation between star participation and film revenues or profitability, which is consistent with the view that stars capture their "economic rent." Overall, existing evidence on the extent to which stars drive box-office performance is mixed, and more research is needed to resolve this debate.

Talent compensation is likely to be a particularly pressing research issue now that some industry executives have called for a change in the reward structure for creative talent. Jeff Bewkes, a *Time Warner* executive, is quoted as saying: "The only viable way to create incentives for film talent is to share the risk and the upside, and to make movie net profits mean something again" (*Variety* 2002). The opinion that creative talent must share in the risk as well as the return of motion pictures is gaining popularity. However, it remains to be seen whether such a model will emerge as a viable alternative. The very box-office power that makes them stars is also likely to make actors immune to such risky deals— their services are in such high demand that they can negotiate favorable terms. On the other hand, their popularity and marquee value varies with time, and it is not clear that this is accurately reflected in contracts. Talent compensation may also become a more important issue as the power of guilds and other unions of creative workers increases. *The Writers Guild,* for example, has recently called attention to what it sees as an unfair DVD sales reward structure for writers.

Contracting terms for actors, directors, producers, and other members of the creative community have received some attention from researchers. Chisholm (1997) examined the choice between sharing and fixed-payment compensation schemes. She addressed the competing determinants of the decision on which contracting terms to select; these determinants include moral hazard mitigation, liquidity constraints, risk sharing, and the superstar phenomenon. Wein-stein (1998) examined competing theories of the economic function served by profit-sharing contracts. He finds it is unlikely that they are the result of a standard principal-agent problem. Zuckerman and Kim (2003) addressed the optimality of contracts and contracting terms in their study of the types of roles actors should accept at different stages in their careers. They found that it pays for actors to accept "typecasting" early in their careers, as it helps them to stand out in the crowd, but that there are trade-offs later.

A related issue is the desirability of long-term relationships with producers or other creative talent in the form of deals (or "pacts," in industry jargon), which are increasingly popular among studios. The trade magazine *Variety,* which regularly tracks such deals, reported that over 200 producers could claim studio deals in 2003 (*Variety* 2003a). Sony led the other major studios with 36 deals, ranging from a deal with Adam Sandler's company *Happy Madison* to one with Joe Roth's Revolution Studios. Most deals give the studio a "first look," i.e., the right to option a screen-play before other studios do. A few deals

involve a longer-term relationship, as when a studio invests in a production company.

Using data that cover the financial performance of Hollywood film studios from 1936 to 1965, Miller and Shamsie (1996) study the relationship between studios' financial performance and their combination of property-based resources (exclusive long-term contracts with stars and theaters) and knowledge-based resources (production and coordinative talent and budgets). Using the same data, Miller (1999) directs his attention to the impact of uncertainty on product-line variation in a study of the film gen-res of the major Hollywood film studios, and Miller and Shamsie (2001) examine the relationship between the level of experimentation among studio heads and their companies' financial performance.

At least, the following future research avenues emerge:

- What is "star power?" How can it be operationalized? Is past performance, on which most current metrics are based, a valid measure? To what extent is star power contingent on the nature of the movie and the characteristics of the other creative talent involved?
- To what extent do stars actually contribute to the success of movies? To what extent do they benefit from the success of movies?
- How can creative talent best pursue a career? How can actors, actresses, and other creative talent build, lose, and regain star power?
- Does the industry fluctuate in its reliance on stars in the production process? If so, why?
- What is the nature of contracts with creative talent, and how does that vary from project to project, talent to talent, or year to year? What are the profitability implications?

Rapid advances in digital technology, often expected to be the key driver of change in the industry in the near future, can affect virtually all players involved in motion picture production, distribution, and exhibition. As far as production is concerned, we anticipate that:

6.2.4. Theatrical distribution

Once a project has completed production, it is ready for the next stage—distribution. This stage is commonly perceived to encompass both the physical distribution of the prints to the theaters and the marketing activities in each market the movie is released. Studios/distributors face a wide range of marketing decisions in this stage, including when to release theatrically, on how many screens to open, and which media to use in the advertising campaign.

As far as the key players in this stage are concerned, a distinction is usually made between major and independent studios/distributors. The majors include *Paramount (Viacom), Columbia Tristar (Sony), Buena Vista (The Walt Disney Company), Twentieth Century Fox (News Corp.), Universal (NBC Universal), and Warner Bros. (Time Warner)*. They produce, finance, and distribute their own films. They also finance and distribute pictures initiated by independent film-makers who either work directly for them or have projects picked up after some progress has been made. Smaller, independent production companies feed their (typically less commercially oriented) productions into the established distribution pipelines of larger companies, or have mini-distribution organizations of their own. A third group, the so-called "mini-majors," *which includes MGM, New Line Cinema, Miramax, and Lion's Gate*, has become a more significant force in the past decade. Companies in this group generally have production and distribution capabilities, but their activities tend to have less scope (Vogel 2001).

However, exactly how and where to draw the line between these groups is becoming less and less clear. For example, mini-major New Line Cinema is responsible for one of the biggest film franchises of all time, the Lord of the Rings trilogy, while major Warner Bros. has established its own independent film subsidiary, Warner Independent Pictures, to produce non-mainstream movies. In fact, it is worth noting that each of the major studios has an autonomous division that is responsible for *independent movies*. Mergers and acquisitions and, more generally, the emergence of media conglomerates, further blur the lines. Both New Line Cinema and Warner Bros. are part of *Time Warner*.

One key performance metric for distributors is the movie's U.S. theatrical box-office gross, which in turn is often an indicator of the sales potential in other distribution "windows" (e.g., global theatrical, home video, and pay television). The importance of this metric reflects the (disproportionally) strong emphasis on revenues instead of profits in the motion picture industry. A movie that grosses more than $100 million cumulatively in U.S. theaters is typically considered a blockbuster. We expect that:

Studios and distributors hedge their bets by releasing a slate of movies each year. The most promising projects (so-called "tent pole" or "event" movies) will generally receive the most attention. These movies often receive the highest production budgets as well as the highest marketing budgets and, critical to a successful theatrical release, a favorable release date. Because the share of revenues captured by block-buster movies continues to rise, this appears to be a valid strategy. For example, in 2003, 19 movies generated over $50 million each at the box office (accounting for 22% of the year's total), compared with 14 in 1998. Also, five movies generated over $100 million each in theatrical revenues in 2003 (accounting for 14% of the year's total), compared with two in 1998 (MPAA 2004). However, ever-higher investments are required to produce and market such blockbusters. The average negative cost for a movie has increased from less than $30 million in the

early 1990s to nearly $65 million in the early 2000s; advertising budgets have jumped from roughly $10 million to nearly $35 million in the same period (MPAA 2004). In the summer of 2004 alone, Hollywood studios released more than two dozen $100-million-plus films *(Wall Street Journal 2004c)*. This, in turn, makes distributors ever more dependent on the success of their potential blockbusters, which puts enormous pressure on the industry, and forces studios to find creative ways to turn the release of a movie into an "event." If a tent pole movie fails miserably at the box office, it substantially affects a studio's bottom line (an infamous example is *United Artists*, which was virtually bankrupted by the failure of just one movie, *Heaven's Gate*).

This phenomenon is not unique to the motion picture industry. A general trend towards winner-take-all or winner-take-most markets has been well documented (e.g., Frank and Cook 1995). Many industries are characterized by the same cycle—a need for successful innovations, which drives ever higher R&D investments, which in turns fosters a higher need for successful innovations. The pharmaceutical industry is one good example (*Economist* 2003). These developments have received little attention from marketing researchers. However, it is crucial for motion picture executives to understand how to cope with this phenomenon, in part by more accurately predicting the success of projects and recognizing blockbusters at an early stage and by more effectively managing the pipeline of projects in development (as discussed in the "Production" section).

At least, the following future research questions emerge:

- Is blockbuster an ex-post or an ex-ante construct? That is, can a movie be validly designated a (potential) blockbuster before or only after its theatrical release? If before, at what stage in the development process?
- How should a studio manage a blockbuster across windows? To what extent and in what ways should a studio adapt its marketing strategies when it becomes clear that a movie is a hit?
- What is the optimal way of releasing a slate of movies, either wide or limited releases, in a highly competitive marketplace?

In light of the above trends, advertising remains a major strategic decision variable for theatrical distributors. We anticipate that:

Distributors will continue to rely on high advertising budgets in releasing their films, but will allocate those budgets differently and more evenly across media vehicles. Distributors spend hefty sums on advertising for their movies. In addition to the nearly $64 million in production costs spent on an average movie in 2003, $35 million worth of advertising directly impacted that movie's bottom line (MPAA 2004). According to Nielsen Monitor-Plus data, overall spending on advertising by the studios and major independents was

nearly $3.3 billion in 2003 *(Hollywood Reporter* 2004). Several studies have established a link between advertising expenditures and box-office grosses. Prag and Casavant (1994), Zufryden (1996, 2000), and Moul (2004) all found evidence for a positive relationship between advertising and weekly or cumulative revenues. Lehmann and Weinberg (2000) showed that the level of advertising for a movie is positively correlated with opening strength. Elberse and Eliashberg (2003) found that the positive relationship between advertising expenditures and opening-week revenues is largely due to a second positive correlation between advertising expenditures and the screens allocated to a movie in its opening-week. It is plausible for movies that are expected to be popular to receive more advertising (Sorenson and Waguespack 2003). As such, it remains largely unclear to what extent and how advertising impacts sales, and therefore if advertising is currently allocated over time in an optimal fashion. An experimental research design, or a modeling approach in which advertising spending is adaptively controlled (e.g., Little 1966), may increase our understanding.

In theory, the amount of advertising necessary to market a movie is inversely related to the amount of word-of-mouth that the movie is likely to generate. That is, marketing campaigns that generate a disproportionate amount of word-of-mouth communication might be able to get away with less mass-media advertising spending or may require a less-traditional allocation of advertising spending across media types. This relates to the difference between a wide (blitz) and limited release strategy. Word-of-mouth communication is typically critical to the formation of demand (e.g., Katz and Lazarsfeld 1955). Word-of-mouth appears to be a particularly important driver of the success of entertainment goods (e.g., Chevalier and Mayzlin 2003) because such goods are often consumed collectively and because they often feature in daily conversations. Movie marketers have pioneered "buzz marketing," for example, by giving opinion leaders free access to the product (i.e., inviting them to a free preview) in the hope that it will stimulate positive word-of-mouth.

In addition, content-related decisions (such as the inclusion of a particularly graphic scene or the casting of an actor with high star power) as well as joining forces with consumer-goods advertisers (e.g., beer) may trigger widespread "free publicity" and awareness for movies. However, studios seem hesitant to rely on micromarketing, which entails targeting word-of-mouth spreaders, as a key driver of demand for films. In fact, it seems that the trend among studios is to bet on strong opening weekends supported by mass-media advertising to reduce the risk that negative word-of-mouth communication will hurt sales later in a movie's run. Heavy reliance on expensive network advertising (e.g., Super Bowl) deserves further research attention.

Increasingly, the emergence of Internet-based "word-of-mouse" communities, where people share opinions on companies, products, and events, is likely to impact word-of-mouth dynamics (e.g., Dellarocas 2003). A proliferation of online sources that provide

information on motion pictures, including chat rooms, Web logs, portals (*like Yahoo Movies*), recommendation sites (*like Moviefone*), customer-review sections of online retailers (*like Amazon*), databases (like IMDB), and critics' sites (*like Rottentomatoes*), has made it easy for consumers to find out what others think about a particular movie. Motion picture studios and other players are slowly coming to terms with this phenomenon. Fortunately, online environments also provide excellent conditions for research on word-of-mouth dynamics, and academic researchers are start-ing to respond (e.g., Chevalier and Mayzlin 2003, Godes and Mayzlin 2004).

Knowledge of the effectiveness of various advertising media vehicles is still limited. Television advertising, in particular in network TV, is the largest investment—it accounts for nearly 40% of total adver-tising budgets for new releases. Print advertising, trailers, Internet advertising, radio commercials, billboards, and other advertising media together account for another 40%. Nonmedia advertising, including creative services, exhibitor services, promotion and publicity, and market research accounts for the balance of the budget (MPAA 2004). Whether this is an optimal media mix, and how much the optimal mix varies across movies, remains unclear. Given the probable role that word-of-mouth communication plays in driving ticket sales across a movie's entire run, and given the Internet's role in facilitating and disseminating word-of-mouth, it is likely that the Internet's share of total spending will increase. The success of the movie *The Blair Witch Project,* for instance, is attributed partly to an innovative Inter-net campaign in which all kinds of fake materials related to the old Blair Witch legend were posted on a website (e.g., alleged diaries of one of the "missing" characters). The site received millions of visitors and the very-low-budget movie grossed over a $100 million in a few weeks. Studios are now often actively working with fan websites to increase their control over this medium (Variety 2004c). In addition, given the rise in commercial-free programming— such as cable television and satellite radio—and the increasing use of technologies that allow consumers to skip commercials—such as digital video recorders (DVRs)—the share of advertising allocated to broad-cast television is likely to decrease.

Although total advertising spending is extremely high, studios/distributors appear to make little at-tempt to increase consumer loyalty across their entire slate of movies. They are paying attention to establishing movie franchises around unique movie concepts that spawn sequels and generate revenues in nontheatrical windows (*The Lord Of The Rings* is a good example). Some directors and actors (e.g., *Steven Spielberg* and Tom Hanks) have established "brand equity" in the marketplace. Also, some intellectual properties (e.g., *Marvel's* superheroes) have a loyal following (Elberse 2004). However, with the possible exception of Disney and some smaller independent distributors, no studio has managed to establish a strong brand identity among end consumers that covers a substantial part of their entire portfolio of movies. In fact, very few moviegoers know which studios and distributors are behind the movies they watch.

Relevant future research questions include:

- What is the optimal level of advertising expenditures, and how should they be allocated across media vehicles—traditional and nontraditional?
- How do online review sites, movie databases, search engines, and other feedback systems affect movie consumption? How does information about a movie's quality that originates from reputable sources (e.g., critics, festival juries, and award committees) interact with word-of-mouth created by "regular" consumers? How does this affect sales?
- To what extent do consumers respond differently to "official" information that stems from movie studios and to information created by their peers? How do they respond to studios' attempts to manipulate word-of-mouth communication?
- What is an optimal "buzz" marketing strategy— a campaign that encourages audiences to attend the movie without generating unrealistic expectations that will lead to disappointment and negative word-of-mouth?
- On what basis should the decision for a limited versus wide opening (a low versus high number of screens) be made?
- Is there a benefit from building brand equity?

Another strategic decision variable for distributors is the timing of releases. This decision has two dimensions: (1) the theatrical release in the United States and in international markets. (2) The subsequent release in successive distribution outlets. As far as theatrical markets are concerned, studios have tradition-ally made their movies available first in the United States and then, with some delay, around the globe. We anticipate that:

Distributors' Theatrical Release Timing Will Become an Increasingly Important Strategic Decision Fueled by the popular media's fascination with "the number-one movie" in any given week, a successful opening weekend has become almost a requirement for long-term success across all windows. A movie that fails to open strongly often loses the attention of the media, audiences, and exhibitors. Timing the opening carefully is therefore crucial.

The question of when to release a movie theatrically has already received some attention from researchers. Most studies have focused on the role of competition and seasonality in the U.S. market. Krider and Weinberg (1998) use a game-theoretic model to analyze the high-season release timing of two motion pictures with different drawing power but competing for the same target audience. They examine the trade-off between trying to capture as much revenues during the high season as possible and trying to avoid the competition, which is trying to do the same thing. Krider and Weinberg empirically show that a primary concern in timing releases is to stay away from movies that have the same target audience. Chisholm (2000) models the competition between movies' release timing

as a war of attrition. Her findings suggest that studios may be playing a complicated game as they choose holiday releases, and that they balance the benefits of optimizing on a per-film basis with maximizing profits across their stable of film releases. Radas and Shugan (1998) estimate seasonal patterns and find that "seasonality accelerates a motion picture's box office but might not increase the overall potential."

Einav (2003a, b) looks at both seasonality and com-petition. He breaks the observed seasonality down into seasonality in underlying demand and seasonality in the quality of movies released. He uses a multinomial logit model to fit weekly market shares for each movie, and then uses the demand estimates to construct and estimate a timing game played by distributors. He finds that observed release patterns are closely aligned to observed patterns in sales, but not to the underlying demand. This implies that distributors could significantly increase their revenues by pushing some of their high-season releases to low-season dates.

Building on these insights, one avenue for future research is to consider the timing decision as part of a wider portfolio strategy. Because a studio's movies compete with each other and with other studios' releases for the attention of audiences and exhibitors, this requires the modeling of a complicated timing game. Work on the introduction of successive generations of new products (e.g., Norton and Bass 1987) is relevant in this regard, but will need to be adapted to the specific context.

The optimal timing of subsequent releases in the international theatrical markets is another intensely debated issue. International markets are an important and increasing source of revenue. Most Hollywood movies now generate higher revenues overseas than in the United States (*Variety* 2004a). Although some studios have considered (and, in some instances, implemented) the notion of releasing movies first in foreign markets and then in the U.S. market, the timing debate is mostly about whether studios should release movies "day and date," that is, simultaneously in the global market (*Variety* 2003c).

There has been a gradual trend toward shorter gaps between domestic and foreign theatrical openings. Elberse (2002) reports on interviews with motion picture industry executives that shed light on the complexities of the inter-national release strategy decision-making process as well as on the forces and counterforces that go hand-in-hand with simultaneous and sequential releases. Opportunities to save interest on investments, pre-vent piracy from cannibalizing revenues, and capitalize on the buzz that a movie has generated in the United States, all push distributors toward a simultaneous release strategy. But such practical considerations as the time it takes to subtitle the movie, the cost of additional prints, and the chance to learn from the U.S. performance and adjust marketing strategies for releases in other countries, all push distributors toward a sequential release strategy.

In a quantitative examination of movies' box-office performance in the United States and the five largest European mar-kets, Elberse and Eliashberg (2003) find an association between a movie's performance in the United States and its performance in these European markets, and that this is not simply a consequence of the availability of the movie in theaters. They also find that the time lag between releases moderates this relationship, which suggests that the buzz generated in the U.S. market may quickly wear out. This implies that, pro-vided a movie performs reasonably well in the United States, it is worthwhile to schedule the movie's inter-national releases soon after its U.S. release. Precisely what the optimal time lag is and what local factors, such as the characteristics of the audience, affect the timing still need to be determined.

It follows that some important research challenges are:
- What are the optimal release times across a studio's entire slate of movies?
- To what extent do co-financing deals between major studios impact release dates?
- What are the optimal order of entry and the optimal release timing for movies in theatrical markets around the globe?
- How do the profiles of fans differ across the various national and regional markets, and how do these differences affect the optimal timing strategy?

As far as the timing of nontheatrical windows relative to theatrical windows is concerned, we believe that:

Distributors will benefit from shortening the time between theatrical and nontheatrical windows—but they are walking a fine line the trend towards shorter time lags in theatrical releases around the globe is fueled by another development—the growing importance of nontheatrical windows as a source of revenue. That holds especially for DVDs, which have become the largest revenue window, accounting for roughly \$20 billion in 2003—twice what is spent on U.S. theatrical tickets (*Standard Poor's* 2004). In fact, it is widely believed that most movies do not break even until they are released on DVD. The sooner movies have completed their theatrical run (in major markets) overseas; the sooner they can be released on video, and the investment in the movie can be recouped.

However, timing decisions for nontheatrical windows are complicated—and increasingly so. In general, windowing is determined by the principle of "the second-best alternative" (Vogel 2001). Films are normally first distributed to the market that generates the highest revenues over the least amount of time. They then "cascade" in order of revenue contribution down to markets that return the lowest revenues per unit time. Historically, that has meant that theatrical release was followed by pay-cable programming, home video, network television, and finally local tele-vision syndication.

But DVDs are capable of generating higher revenue than theatrical tickets over less time,

as are other new technologies such as Pay Per View (PPV) and Video On Demand (VOD). This puts pressure on the existing windowing structure, and could cause fundamental shifts in sequencing strategies. Some executives, for example, have hinted at the possibility of having the home video window run at the same time as the pay-cable window (*Wall Street Journal* 2004a). The underlying assumption is that pay-cable will eventually replace video rentals (a declining business with relatively low margins for distributors) but not video sales. In addition, once these technologies are well established, it is not inconceivable that new movies released on PPV or VOD channels prior to their theatrical release, and priced adequately, could be sold to millions of viewers, generating revenues on par with a regular theatrical release. Although this scenario may seem far-fetched, vertical integration in the motion picture industry could make such unconventional release strategies more attractive for key players. Focusing on the cable television industry, Chipty (2001) finds that integration tends to exclude rivals but does not harm, and may actually benefit, consumers because of the associated efficiency gains.

Some studies on the substitutability versus complementarity of revenue windows have already been conducted. Using telephone survey data, Williams and Shapiro (1985) studied the link between the use of in-home entertainment alternatives and film attendance. Gambaro (2004) examined the relationship between theatrical performance of movies in Italy and their subsequent share of TV network viewership there. It seems particularly worthwhile to investigate the effects of video openings on theatrical moviegoers' behavior. The possibilities of new partnerships and mergers—between theatrical and home entertainment distributors, for example, or between cable TV distributors and content providers—are likely to reduce the time lags between successive movie releases. Existing research on the timing of the video window (e.g., Frank 1994, Lehmann and Weinberg 2000) provides a good starting point.

Several questions need to be resolved so that distributors can make informed timing decisions in this new context:
- What is the likely audience size and revenue per audience member in each revenue window? How much overlap exists between theatrical and nontheatrical consumer segments?
- To what extent are theatrical and nontheatrical windows substitutes or complements (i.e., either negatively or positively affecting each other's revenue potential)? For example, does the availability of DVDs deter people from going to the theater? Does the prospect of being able to see a movie on pay cable, network, or syndication television deter people from going to the theater? How much do consumers value "owning" versus "renting" content in these settings? How much do they value the social aspect of movie consumption? How time sensitive are consumers? Do the answers to the above questions differ across segments of consumers, across types of movies, and/or across theater segments?

- What windowing strategies maximize studios' revenues and/or profits? More specifically, what revenue windows will remain viable, and in what order can studios best tap them?
- To what extent do optimal launch strategies differ across markets and across distribution outlets? What lessons can be carried over? We note that arguments can be made for both substitutability (i.e., overlapping consumer segments) and complementarity (i.e., distinct consumer segments) hypotheses—earlier windows can be substitutes in the sense that they cannibalize later sales, and complements in the sense that there is spillover of marketing effort and word-of-mouth communication. Given that going to the theater is a different social experience than watching a movie at home, intense concerns about the substitutability of the theatrical window seems misplaced. Nevertheless, knowing the extent to which consumers view these windows are substitutes or complements, and the extent to which that differs depending on the particular movie and the exact timing of windows, can significantly benefit distributors in assessing alternative release plans. This knowledge would be critical even if, as Weinberg (2005) puts it, domestic theatrical releases have become "loss leaders" for a stream of other products that earn the lion's share of revenues.

While new consumer technologies (e.g., DVD, VOD, HDTV, and DVR) are starting to have a significant impact on theatrical distribution strategies, the impact of digital technology on this stage of the value chain is much broader—and several issues deserve further attention from researchers. We expect that:

6.2.5. The benefits of digital technology will continue to outweigh the costs for distributors

Advances in digital technology hold a number of *opportunities and threats* for studios. They may also change the types of movies made (Tyagi 2004). The threats mostly involve movie piracy. Illegal reproduction of copies has become easier and cheaper, while the Internet also enables the sharing of electronic copies on a global scale. Consequently, analogous to developments in the music industry, piracy is widely regarded as the key threat to movie distributors' business models (e.g., Deloitte 2004). The MPAA (2004) valued global piracy at $3.5 billion in 2003, and the problem has received widespread attention in the popular press. Studios are fighting the threat of piracy via court battles and by educating and inducing consumers to use legal alternatives, particularly the Internet sites established by studios themselves (e.g., *Movielink*). So far, these activities seem to have had limited success.

There is evidence that piracy is not the significant threat the entertainment industry believes it to be. Peitz and Waelbroeck (2003) review economics literature on the piracy of digital products. A recent music industry study by Peitz and Waelbroeck (2004), based on the

results of a cross-sectional analysis, concluded that "internet piracy played a significant role in the decline in CD sales in 2001, but can hardly account for the subsequent drop in 2002." A more comprehensive time-series analysis for the same industry did not find a significant negative effect of file sharing on music sales in a 17-week period in 2002 either (Oberholzer and Strumpf 2004). Similarly, the extent to which piracy affects the behavior of moviegoers and consumers of movies in other windows remains to be seen. It is not known whether a dollar lost to piracy is one the distributors could have collected, e.g., in theater tickets or DVD sales.

Piracy can be regarded as a separate window (albeit one that generates no income for studios/ distributors), or even as a set of windows with varying quality (e.g., ranging from theatrical showings taped with a camcorder to copies made directly from a DVD). Seen in that light, questions that were raised in the previous section also help to frame the debate about the impact of movie piracy:

- Does the movie piracy window substitute or complement the consumption experience for other release windows? To what extent are consumers willing to pay more for legal alternatives?
- What drives movie pirates? What are the determinants of downloading and file-sharing behavior? Are some movies more amenable to piracy?
- How can the impact of movie piracy be quantified? How does it affect production and innovation?
- Do the answers to these questions differ across territories or cultures (e.g., Husted 2000)?

Pirated movies certainly seem to be a poor substitute for the theatrical experience. Most industry insiders appear more concerned about the impact of piracy on the sale of DVDs, an obvious comparable product, than on theatrical revenues (see Weinberg 2005 for a more comprehensive discussion). Consumers, they fear, might perceive high-quality copies made directly from a digital version (e.g., a DVD screener) to be particularly good substitutes for legitimate DVDs. How-ever, to our knowledge, there is not yet any empirical evidence for this view.

Opportunities related to digital technology in the distribution stage lie in creating trailers and other necessary content for promotions and selling efforts, but mostly with what has been referred to as "digital cinemas"—the distribution and projection of movies in a digital format, without the need for actual film prints. This development offers studios increased flexibility and substantial cost savings. For example, if all cinemas were to operate with digital projectors tomorrow, actual movie prints (costing about $2,000 each) would become obsolete. Studios would save about $4 million for the average movie in its U.S. release alone, and a multiple of that in foreign territories.

6

The Boston Consulting Group (2002) has estimated the potential annual savings to amount to over $1 billion annually in the United States alone, with roughly 80% going to the distributor (and the remainder to the exhibitor), and over $1.5 billion internationally. Because exhibitors will have to bear the lion's share of the investments in upgrading to digital cinemas, these are important benefits for studios. However, conflicting standards slow down the penetration of digital cinemas, and studios might be hesitant to push the envelope on digital cinemas because it implies their loss of control over exhibitors (digital technology gives exhibitors more scheduling flexibility, as dis-cussed in the "Exhibition" section below) and might allow intermediaries to enter the marketplace and erode the studios' dominant position.

Key future research avenues regarding digital cine-mas are:

- What do players in the value chain stand to gain and lose from digital-cinema initiatives, and how can they be incentivized to adopt new distribution and projection technologies?
- What are the key strategic drivers of emerging incompatible technology standards, and what role across the globe do they play?
- How should relevant players manage the transition to a fully digital-cinema landscape? What business models are appropriate in this new environment?

6.3. A quick glance at Nollywood; how do they do it?

It was in the 1990s when Nollywood began its rise to recognition across the world. Although the Nigerian cinema culture cannot be compared to Hollywood, it is constantly improving with great potential of being more widely recognized. With the United States being home to Hollywood, which is one of the oldest film industries and the largest in terms of revenue, it is known to use various strategies when it comes to production and content of films. There is a great deal of inspiration from Hollywood that can be seen in Nollywood films, from the production, distribution, storylines, and characterizations. India is home for the Bollywood film industry, which is known as the largest producer of films in the world. The Nigerian film industry, also known as Nollywood, is Africa's most prevalent movie activity in both the number of productions and value, roughly producing between 1,000 and 1,500 movies annually. Nollywood is making its mark in the film business.

According to the article, "Nigeria's Film Industry: A Potential Gold Mine", Rebecca Moudio (2013) states, "The Nigerian film industry, also known as Nollywood, produces 50 movies per week, second only to India's Bollywood- more than Hollywood in the United States. Although its revenues are not on par with Bollywood's and Hollywood's, Nollywood still generates an impressive $590 million annually" (Moudio, 2013). This in turn assists the government with creating employment growth for the country by providing job opportunities.

According to the article, "About Nollywood", the average production of Nollywood films costs approximately $15,000 and takes only 10 days to make a movie (Sacchi, 2006). Nollywood films last between an hour to two hours and they are occasionally broken up into multiple parts. Some films are split into parts on one disc or up to three discs, which may include advertisements and promotional content in-between the films.

Although Nigerian films have been dated back to the 1960s, the advancements in digital filming, producing, and editing boosted the countries film industry. This research will help collect and present aspects of Nollywood, defining the content and production of films within the industry. It will study the rising success of the industry, the way characters are portrayed, and the production process. Through a Case Study approach we will study the production and distribution networks of Nollywood movies. Additionally, through a Content Analysis of five top grossing Nollywood movies, we will examine the variety of content, storylines, language, quality of production and the levels of modernization on the cultural variables. The storylines range from romance, religious inspiration, and deception. The levels of modernization will study the changes in the variety of clothes worn, representation of religious symbols, the language used and the background settings among others. As women are known to personify an evil or inferior demeanor in Nigerian movies, they play a major role in the depiction of films. The depiction of women and their roles in Nollywood films will also be examined.

Distribution and screening of Nollywood films range from watching through DVDs, in theatres, and the Internet. The Nollywood audience has access to Nigerian films through several platforms regardless of where they are in the world. The need for the expanding diaspora is due to the migration of over 400,000 Nigerians to other countries like the United States and the United Kingdom amongst others. With the widespread movement of Nigerians expanding, the need for access in multiple platforms is necessary and convenient. Through this research we will also examine how migration to other non-African countries has also improved the recognition of Nollywood.

The rising popularity of Nollywood, the Nigerian film industry, is increasing the level of scholarship with several researchers investigating the genres, production, distribution and challenges faced by the films within the country, region and diaspora. They also highlight the revenue generated annually, the number of films produced, as well as the themes and storylines of Nigerian films (Ebewo, 2007; Haynes & Okome, 1998, Obayiuwana, 2011).

Literature on Nollywood ranges from the historical aspects of the industry to the themes, plots, production and distribution of films for local and global audiences. The films have been a source of expressing and understanding the Nigerian culture as well as an influence on the lifestyles of Nigerian people. There has been an increase in the revenue generated through extensive distribution and an increase in overseas viewership as film festivals and

other promotions are assisting in creating awareness of new films through noncommercial outlets that give additional access to Nollywood films.

For many years, Nigerian films have been based on storylines showing –constant tragedy, romance, drama and comedy that arouses the viewers mind. Whether the main character is going through constant tragedy to end up triumphant or the characters are caught in a love triangle, there are always high drama plots to keep the audience interested. Within these themes many of the films include multiple storylines combined into one film.

With several studies done in the past about the emerging Nollywood film industry, one in particular is "The Emerging Video Film Industry in Nigeria: Challenges and Prospects". In this study, Ebewo (2007) focuses on the challenges the industry has faced for the thematic obsession and repetitive themes for storylines. The Nigerian film industry is viewed in both positive and negative ways. Some find the plots to be highly repetitive and unrealistic, while others see them as expressions of the African culture. Despite the many perceptions Nollywood carriers, the industry manages to defy the odds with new thought provoking films and high production quality.

Nollywood films are a staple in many African homes. (Haynes & Okome, 1998) in the article, "Evolving Popular Media: Nigerian Video Films", the authors discuss the evolution of Nigerian film production and its rise to popular culture. It has become a necessity for many African families and has grown into popular media for the country. It is evident that films that include relatable scenarios and traditions of the country have influenced the lifestyle of many Africans. Filmmakers, for the most part, have been educated self-conscious artists who have social or political motivations that occasionally influence their films. There is a system for producing films and allocating funding for distribution. Haynes and Okome (1998) found that Nollywood films are extensively distributed at local and international levels through film festivals and other non-commercial outlets. This has led to what we now see as Nigerian film and video production that has been deeply rooted into the culture of professional competence.

The influence of Nigerian film production, both process and content have reached newer heights. The popularity of Nigerian video production has supported the distribution networks. Nollywood has often been compared to Hollywood in the artistic quality of production, professionalism, and distribution. Chamley, (2012), explains the success of Nollywood movies competing against big-budget American films. Analyzing a few Nigerian films, Santorri Chamley found that Nollywood films like "***Phone Swap***", "***Tango With Me***", and "Destitute" have all raised the artistic bar in recent years. These movies have all vividly shown western influences in terms of content and production. Similar to the films reviewed for this research it was found that the 'new cinema' of Nollywood is comprised of character portrayals that reflect the western culture, in terms of the characters style of

dress, language and production quality. High quality films released theatrically begin to stand out amidst the wave of home-video movies that have dominated Nigerian filmmaking for the last 20 years (Chamley, 2012). The success of these films has brought a positive outlook on where Nollywood is heading in the years to come.

The country's most talented directors have strived to reintroduce professionalism and quality to Nollywood. Improved scriptwriting, cinematography, and film direction are elevating the quality of the film business attracting audiences and increasing box office returns. The article, "Nollywood Goes to America" Goffe (2010), reports on the newer Nigerian-themed films that focus on Nigerian immigrants in the United States. Femi Agbayewa, a Nigerian-born and New York based filmmaker declared himself the creator of 'Nollywood USA'. He explained, "there have never really been any films in America that in a popular, everyday Nollywood style, talk about the African experience" (Goffe, 2010, pg. 20). Filmmakers have combined the Nigerian and American film experience, forming Nollywood USA. It focuses on the Americanization of Nigerians in the U.S. Nollywood USA was created to bring the Nigerian and American experience together, providing film outlets for those who migrated from Nigeria and were unable to directly access authentic Nigerian films. As discussed in my film reviews further on, the director of the film "Ije" combined both the African lifestyle as well as an American lifestyle highlighting the struggles of women in both.

It is evident that the Nollywood industry is expanding rapidly in terms of number of films produced and distributed overseas, generating high revenues for the country. The overseas viewership of Nollywood movies is expanding with the growing diaspora. As the number of Nigerians spread throughout the world to places like the UK and US, the demand for films depicting their homeland is also growing.

Highet (2010) also exemplifies the reach and access of Nollywood films and access to them in African countries, the United States, United Kingdom and many other countries. Many Nigerians migrate to countries where they seek ways to be reminded of home through Nollywood films. Most people use outlets like YouTube and IrokoTV to stay in-tune and up-to-date with Nigerian films. These film outlets also provide the audience with an entertainment escape to keep up with the developments of the country, language, fashion, food, and the music amongst others. Through YouTube, viewers can access Nollywood channels to watch films that are in their entirety or split into parts. A viewer can easily access the films by simply searching for the film by name or a Nollywood channel of their choice where there will be an assortment of options to choose from. Channel holders upload a variety of movies, in some cases without legal rights. Through IrokoTV, viewers can access films according to genre of their choice such as action, family, and drama to name a few. This is a legal online platform that gives access to a wide range of films and also offers a small subscription fee to the site for more exclusive titles.

Jason Njoku who is the companies CEO, partnered with one of Africa's leading entertainment companies to provide free and paid-for Nigerian films on demand. IrokoTV gives instant access to thousands of Nollywood film titles, creating a way for Nigerians and Nollywood film viewers to have access to movies without actually being in Nigeria.

Another form of Nollywood film distribution is through film festivals. There are festivals held annually all over the world that give filmmakers the exposure they need to promote their creative works. *Film Africa 2011 Celebrating African Cinema* (Dovey, 2011) exemplifies the history of African films and the annual celebration of the industry, which takes place in London, a place known to be home to Nigerians who have relocated from their homeland. The festival screens over 50 films that are followed by discussions. Film Africa is a 10-day annual celebration of African cinema and it serves to help reduce the gap between African films and audiences. Nollywood films deserve an outlet that can provide a platform for broad exposure.

Serving as the main hub for African films, Nollywood films produced in one of the many Nigerian languages typically have subtitles or production in English eliminating barriers for those who do not speak the native language. Olayiwola (2011) reflects on the arguments of Yoruba filmmakers being the pioneers of the video film industry in Nigeria and at present more films are produced in English. This illustrates how Nollywood continuously attempts to connect with the western culture. In areas like Lagos Island, Nigerian natives and visitors have access to watch both Nigerian as well as American films at a prominent shopping mall that houses the Silverbird Theatre. Just a few years ago this was not possible. The movie theatre serves as the home for popular Nollywood movie premieres. Other Nollywood viewing outlets in Nigeria are housed in movie rental shops in local markets.

From distribution to production, Nollywood film producers connected to the diaspora early and also had storylines that incorporated immigrant communities and films with subtitles in English, thereby increasing the viewership as well as the revenue for the films (Goffe 2010; Obayiuwana, 2011). The study, "Nollywood Pulls in the Dollars" brings forth the revenue generated by the Nollywood industry. Similar to the films "Tango" and "Wife Swap", "Ije" collected revenue of $60 million Naira, which is converted to roughly US $357,000. These films are created with small budgets and great returns. Over the years Nollywood has become the country's main non-oil foreign exchange earner (Obayiuwana, 2011).

The president of Nigeria pledged a $150 million dollar loan fund for the creative industries. Since then, there have been improvements made in the entertainment industry creating employment opportunities in the country. It is evident that the Nigerian film business has progressed over the years. With financial backing and contribution from the president,

there is great potential for growth in the years to come. The quality of production is evident, there has been an upgrade in camera equipment, film-editing software, and the locations where films are shot have improved for the better with some films being shot in foreign locales. Nollywood films are now based on Nigerians telling their owns stories instead of us being told stories about Nigerians. This motivates storylines to truly reflect moral dilemmas Nigerians face including violence, religion, and family drama (Obayiuwana, 2011).

There are two distinct African cinemas. The article, *Viewing African Cinema in the Twenty-first Century: Art Films and the Nollywood Video Revolution*, (Akinyemi, 2011), discusses them extensively giving both from the artistic and commercial perspectives. There is the traditional art film and the newer more commercial video films that are based on English-speaking Africa. Given this background, the films selected for this research were based on these criteria. There are films that are in a traditional art form and films that in a more commercial video form, which are based on the English speaking Africa. Location shifting to overseas viewing is another fundamental development of change in Nollywood films. Over the last 40 years movies have been filmed in an array of countries finding homes with people who have grown to love and appreciate the African culture through the detailed and engaging plots.

The forms of filmmaking, particularly contemporary have embraced digital technology as a form of popular distribution and screening of cinema. "Digital as the New Popular in African Cinema? Case Studies from the Continent" is an article by Lizelle Bisschoff. Bisschoff (2012) states, the appeal that media content has is because of its relevance to audiences in narratives, language, topics treated, characters portrayed, or style that has been framed theoretically (Bisschoff, 2012). It basically highlights the art of technology and how it feeds into popular media. Because of the relevant content, the audience is able to connect and relate to the story being told. The content we are exposed to is in some cases, inspired by the language, characters, and topics related to the African culture.

In light of reflecting on how much African cinema has progressed over the years, David Murphy's article, "Africans Filming Africa: Questioning Theories of An Authentic African Cinema, mentions the colonial era that reinforced the western vision through cinematic images that portrayed Africa as a dark continent. When African filmmakers began to create films they were determined to counter negative perceptions and thoughts of their homeland. The article examines debates that have been done to discover whether film critics who are not of African decent, but actually come from a western background can give a true reading of an African film (Murphy, 2000). Within that I will argue that most Nollywood films show western influences through their cinematic images as well as content based on the African culture. The style of speech and the characters attire are often influenced by western culture. However, when storylines are based on the African

culture, they manage to stay true and reflective of that. Nevertheless, filmmakers still stress the overly dramatic and intense plots that have a combination of love, jealousy, deceit and triumph.

The transition of the motion picture industry in Nigeria from celluloid films to videos films is a topic that has been researched in the past. Olayiwola (2007) states this in the article, "From Celluloid to Video: The Tragedy of the Nigeria Film Industry", video films were able to recapture the film audience with the new wave of dramatic television productions. According to Olayiwola, the convenience and affordability influenced the replacement of celluloid. Video films have really revolutionized entertainment on a cinematic level for many Nollywood film watchers. The rise of video films contributed to the continued advancements in the Nigerian film business. The convenience of conversion to DVD has made it easier for film viewers to have access to films where they can watch them in the convenience of their homes. The transition to video films also gave way for the online platform.

The success of the film "*Living in Bondage*" was due to the bold storytelling and easy distribution. It's an Igbo film that includes English subtitles. "Nollywood Looks to the Future", Oguine (2004) believes that the unique and rich storylines are thought provoking and in many cases relatable, allowing Nollywood films to be household necessities. Whether the audience can relate to situations or learn lessons before they encounter them, the strength of the plot holds the quality of Nollywood films.

While visiting in the summer of 2010 I had the pleasure of meeting a Nigerian filmmaker. Her name is Chineze Anyaene and she directed a Nigeria–American film titled "*Ije: The Journey*". The film is based on the story of two sisters who are born and raised in Nigeria and the elder sister moves to Los Angeles, California. The lead actor, Omotola Jalade-Ekeinde, was named one of the world's hardest working actor with over 300 movie roles in the Nigerian film industry. The film highlights how the American dream is not always as perfect as it seems. When one culture joins another, some things may clash. Although "Ije" included Americanized content, the structure of Nollywood was still very prevalent. The movie includes the strong family essence when a younger sister leaves Nigeria to rescue her older sister in America facing criminal charges for murder.

The plot includes love, betrayal and family support. Betrayal, when the sister who moved to America is accused of murdering her husband. Love for her sister and love for her life. The film combined a traditional African upbringing that crosses paths with the American lifestyle. The sister on trial struggles with stigmas of women in Nigeria and it holds her back as a woman in America. The movie premiered in Nigeria at the Silverbird Theatre in Lagos Island. It's also distributed through its direct movie site and other online platforms in the US, Nigeria, and London.

Most Nigerian films are structured the same way. The plots consist of the moral dilemmas Africans face such as family, love, jealousy, and betrayal. The arrangement of Nollywood movies has usually included unrealistic, dramatic, and unexpected twists. As the years have gone by we as non-resident residents of Nigeria living in the US have grown to appreciate Nollywood films and the artistic expression of the Nigerian culture. Nollywood filmmakers strive to portray real life scenarios, as well as fabricated, to entertain the audience. As with many developing countries, the Nigerian culture has been heavily influenced by the Western culture in various ways, especially in regards to the film business. That has led filmmakers to cast actors and actresses to portray a certain persona, dress a particular way, and even speak a certain way when the film is in English.

Therefore, the Nollywood film industry has grown over the years. The storylines, production quality, and popularity has significantly changed for the better. Filmmakers are taking the creative efforts in telling stories from a Nigerian perspective seriously. The amount of revenue the country pulls in and the international distribution and access to films is increasing its popularity. Studies have focused on the general shift of content, production, and distribution of the film industry. However, not many studies have focused on the actual level of cultural representations and modernization of films, and the impact of these on Nigerian diasporas, which this study aims to study.

Both the content analysis and survey presented valuable findings in this study. Reviewing the five films produced more insight into Nollywood films and the structure of producing content that the viewers demand. The films had an even appearance of men and women with a minimal appearance of children. More than half of the time, each of the films were based on drama. The genres of the films varied within each film.

In general more than half of the respondents watch films often or very often. Over half of the respondents were familiar with Nollywood and most attested to watching them once or more a month. Based on the level of satisfaction when it comes to the content of Nollywood films, more than half of the respondents felt the content to be simply 'good'. Mostly all the respondents feel that Nollywood films help them to connect to their country in one way or another to keep up with the development of the country or to hear the native language. The survey was taken by people in the USA, the UK, and Nigeria ranging between the ages of 18-56+. The majority of respondents were women and the overall highest level of education was a Bachelors degree. For the most part, all of the films were in English, but for the ones that were in Yoruba there were always subtitles displayed clearly on the screen for the audience. In the films women were either portrayed as very weak or very strong in their roles.

Through the content analysis of the films and the survey we were able to determine that: the content of Nollywood movies are intensified. The strong plots hold a realm of

6

genres including high drama, romance, and traditional/historical rituals and traditions. The characters in the films analyzed prove to have strong western influences by the style of dress many of the characters wore modern and westernized clothing, by the character portrayals, many of the characters carried personas that aren't typical African portrayals, language was also another western influence noted in the analysis. The choice of language varied in the films, some of the characters showed signs that there is a significant amount of westernization in the Nollywood industry. The settings and locations stayed in urban and rural villages in Nigeria, with the exception of a film that was partially shot in the US. With the growing diaspora and feedback from the survey respondents it seems as though Nollywood is making an impression around the world. Closely following larger film industries like Hollywood and Bollywood, Nollywood has made an impressive statement in the film business. Nigerians have moved from Africa to different parts of the world, with that comes the need of having access to films wherever they relocate to. Through online platforms like IrokoTV and YouTube the viewership patterns of Nollywood is constantly growing.

The focus of the rising film business, character portrayals, and the production process all play a significant role in the expansion and the growing popularity of the Nigerian film industry. The Nollywood industry gives filmmakers, actors, and actresses the opportunity to showcase their talents to a mass audience. It's quite easy to draw similarities and knowledge from the valuable storylines in Nollywood films, where the content is always rich in its message. Some of the popular locations to shoot these films are in cities like Abuja and Lagos. By on location, that's referring to filming at hotels, homes, and offices that are often rented out by their owners who appear in the movie credits.

The content produced, style of shooting the film, choice of characters, and distribution outlets are a few of the things that contribute to the success of Nollywood. Nigerian filmmakers have invested into Nollywood, though it did bring in great criticism, it allowed them a chance to build an empire that has received some great accomplishments. Some of the benefits include the government investing in film production and the exposure to not only other African countries, but to the world on a broader scale. This research has shown that there are other aspects of the Nollywood film business that many are not aware of. The rise of recognition and improvements noticed by the Nollywood audience will continue to help promote the positives the business has to offer.

To conclude, the Nollywood film industry is gaining recognition on an international scale. With Nigerians migrating to places like the UK and US the importance here is just as significant as it is in Nigeria. Nigerians have access to the Nollywood films they know and love. Nollywood film distribution varies from place to place. Viewers can find them in the market on Lagos Island, YouTube, IrokoTV, and local African video shops to name a few. With the growing age of technology there have been more avenues that have allowed

audiences to view Nollywood movies through new media platforms.

As found in the content analysis, filmmakers are developing themes and plots as well as language that will meet the needs of the local and overseas Nigerians. Some of these films like "*Last Flight to Abuja*" reflect the changing themes with local and foreign locales. Films like "Ije" have also used both English and Yoruba in films.

Seeing these movies connect overseas Nigerians to their home is amazing, it's like having a little piece of home. A respondent stated, "Nollywood films are entertaining and can help Africans living in the US as well as people outside of our Nigeria better understand our culture and diversity." This simply sums the advantages and positives of Nollywood.

The detailed storylines and plots make for rich content in Nigerian films. Culture is what defines us. It represents where we come from. Its our beliefs and values that shape we are. Nollywood films are films are an expression of the Nigerian culture.

Most of the respondents in the survey stated that they can see the improvements in the films and that the films reminded them of their culture and encouraged them to learn more about their culture through the films. As stated by one of the respondents, 'it represents our country to the world.' It's quite easy to draw similarities and knowledge from the valuable storylines in Nollywood films. The representation of the Nigerian culture is so rich in these films. With the rising recognition of Nollywood, filmmakers are taking advantage of telling stories from an African perspective verses the stories being told to Africans by someone else. This holds great significance in knowing that these films hold true traditions and the culture through the visuals, content, and production.

At the end of the day Nollywood has made its impact in the film business. Serving as Africa's most prevalent movie activity in the number of productions as well as value of returns. Although the Cinema of Nigeria dates back to the late 1960s the advancements to date have by far exceeded many expectations. Nigeria has seen great progress in the films produced annually. Each movie created holds significance in the storyline for people to relate to. It is hoped that as the years go on they continue to improve content, production, and distribution of movies.

6.4. Film industry in Rwanda, a brief background

The film industry is young and unorganized. The Rwandan filmmaking industry is in its infancy, only emerging after the 1994 genocide. Since then, a small group of pioneer filmmakers has simultaneously built a community structure with the capacity to train young filmmakers. A number of films have been produced, with relative success, but the great majority of films are still struggling to set foot firm on the Rwandan market. Yet, the

film industry harbors great potential to affect the national economy through the generation of jobs, wealth creation and cultural engagement.

Rwandan Cinema is a new art that was brought by colonizers they used to do documentary films willing to show their relatives who remained in Europe how Rwanda sphere. Germans in entering Rwanda come filming even with the religious people who come with them (Lutherian) took pictures of life considering how the country is shaped. After the Germans were gone, there came Belgians and used cinema in order to do reports on development activities that they were doing in Rwanda. It is within that scope that in 1927 Documentary Films shown hospitals of Nyundo in Bugoyi at Muzinzi, another film was made of Rukari in Nyanza. In 1932 there was documentary that shown Life of King Kanamugire.

There was also the first fiction that was played in Rwanda in 1956. King Mutara also acted in Les Mines du Roi Salomon;" In 1959-1962 there were documentaries that were showing changes in Colonialism in political sphere of the country, showing the dehumanization that was done to the Tutsi up to when the kingship dynasty and colonialists were removed and Republic was installed.

During the Republic 1 and 2 cinema was not given value mainly documentary films that were showing ceremonies and other important events that the president of Republic would be invited in. During years of 1988 there was an action film named Gorillas in Mist that was talking about Dian Fossey and Her death. Cinema in Rwanda after Genocide of 1994 against Tutsi had another step ahead in development in Rwanda more films were acted that were talking about Rwandan 1994 Genocide against Tutsi such as 100 Days, Shooting Dogs, Inyange and many others all made in Rwanda and Actors were Rwandans. Rwandans who acted into those films got different experiences like in comedies, documentary and fiction…

On each Rwandan cinema that was acted in Rwanda that used Rwandans to act themselves and made by Rwandans are available even if there is still a challenge like quality based on lack of skills (Rwandans who studied cinema are few), challenges in preparing script, in acting, in filming and in selling it.

In Rwanda cinema market meets the following 3 important challenges:
1. Piracy: It has a big challenge and it discourages investors in cinema as they make losses
2. Infrastructure: There is only 1 cinema hall that has all needed materials. This leads to poor distribution and selling. Also to sell films before all there financial needs by making DVDs or on Internet only if profits are made in screening
3. Tools or equipment have poor quality: This has an impact on quality of films in Rwanda

4. Lacking the investment institutions and having non-art funds that those willing to do cinema can get funds.

Audio-visual content supply through cinema, in this study, refers to process of making the content available/exhibited to the public. The discussions below focus on the content, medium, and operators, as well as the distribution value of the content in question. As discussed, content owners/artists care less on making money from their content; instead, their desire is to make their names known by the public (promotion). Likewise, international content is the one mostly distributed through cinema given its comparative high quality. Regarding the local content, the general contention from distributors is that Rwanda's cinema is poor, and much of local content is downloaded from the Internet or got from television and for free, and this is coupled with the absence of a platform for cinema content (disc house).

The medium used in cinema mainly focuses on theatrical exhibition (movie or music show) with the use of Television screens or projectors.

6.5. Rwandan Films

Interviews with actors in Kigali City as well as selected districts revealed a rather common perception that many buyers of films in Rwanda do so informally, and that the great majority of those who watch Rwandan films do not buy them. This however does not stop the industry to grow.

> *"Despite that, the industry is growing first; you may be tempted to compare it with film industries elsewhere like Nollywood (Nigeria) and Bongo Movies (Tanzania) which started more than 20 years ago. When you compare the product we put on market there is no big difference from theirs...But we need to seek professionals who can provide us with enough skills in the filmmaking, production, distribution…" (A film actor, Newtimes, 2015)*

Today, the industry has grown through creativity, vision, collaboration and some partnership. The Rwanda Film Festival is an exceptional event that brings the art of cinema and an appreciation of film to local communities, film students, and enthusiastic filmgoers and to the leadership of the country. Each year, the film industry recognizes movie personalities in different categories. Through festivals, the film industry has reached a vast audience; at least many people know that Rwanda produces films. The industry has created a number of jobs, mainly for women and the youth.

A recent study by VIGAR Ltd, which focused on the content, medium, and operators, as well as the distribution value of audio-visual content in general, articulated the status

of the film industry in Rwanda. On the outset, it is important to emphasize that the content owners/artists care less on strategies aimed at making money from their content; instead, their desire is to make their names known by the public (hit/promotion). Likewise, international content is the one mostly distributed through cinema given its comparative high quality. Regarding the local content, the general contention from distributors is that Rwanda's cinema is poor, and much of local content is downloaded from the internet or received from television companies free of charge.

Audio-visual products through film/cinema

Graph 1: Distribution of Rwandans and international film content

Consumers' opinions on the comparative distribution of Local and International film content by vendors in Rwanda, per type (%)

Type	International	Local
Entertainments	78.3	21.7
Sports	84.8	33
Animations	79.1	20.9
Documentaries	67.4	32.6
Series	68.1	31.9
Movies	66.3	33.7
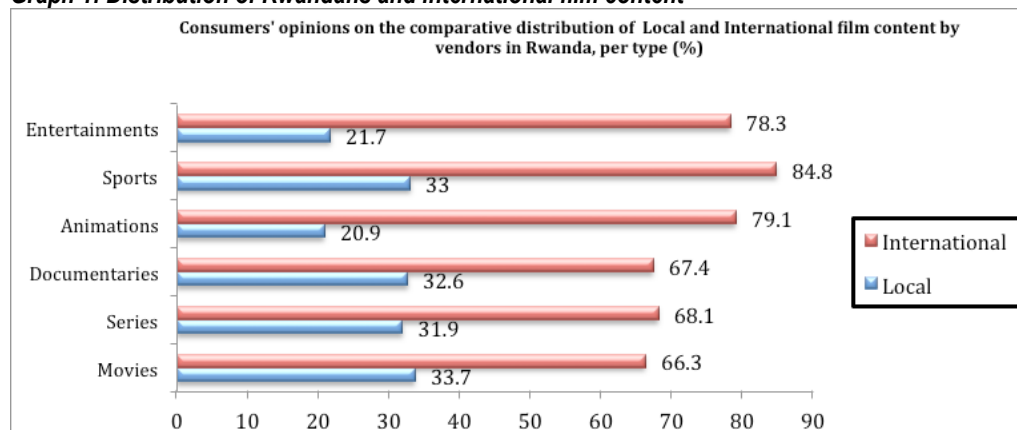
According to assessments by VIGAR Ltd, the market share of local films stands at around 30%; it is important to note that the assessment considered cinema distribution through informal channels only. If cable TV is to be considered, the share will be lower.

As the above graph shows a variety of (local and international), film or audio-visual products are distributed through cinema in Rwanda. In this regards, both consumers and distributors affirm that foreign or international movies are the ones mostly distributed in Rwanda. To this point, the particular emphasis was put on movies translated in Kinyarwanda language (referred to as '***Agasobanuye***') before their exhibition or selling to the public.

In addition, the international content is well advertised in comparison to local ones. It is also easily accessed and multiplied without many difficulties. The point is that international content is much sold on the market than local content due to piracy that is not monitored (none mandated to monitor piracy), which is not the case for local ones, as those who dare to do so (to engage in the piracy of local content) are monitored, which consequently makes pirates afraid.

6.6. Stakeholders in the film industry in Rwanda

Operators in the supply of audio-visual content in cinema include content owners/artists, producers, distributors and exhibitors. Artists are the owners of the content. Producers are those operators who make or produce the content. Distributors are operators who engage in the promotion and publicity of the content, while exhibitors are those who make the content available to consumers.

Graph 2: Stakeholders in the film industry in Rwanda
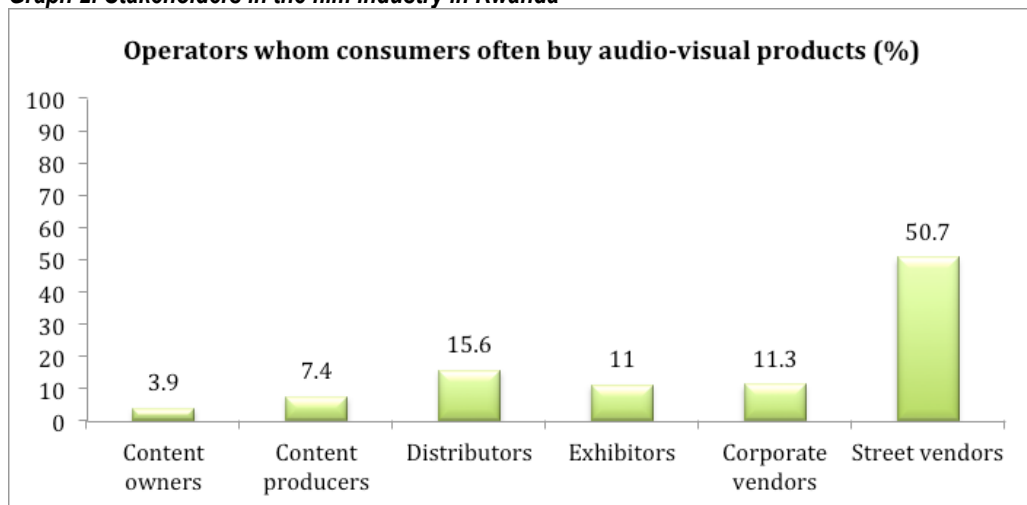
It is clear in the above first graph that the majority of stakeholders are street vendors (50.7%), hence consumers mostly buy film driven audio-visual content from street vendors. Even most of corporate vendors visted (i.e., cooperatives and associations) have their members working street vendors. It is just a matter of requesting street vendors to burn a CD and put on it as much as content needed for a cheap price.

Consumers also, and often, bring their own flash disc or hard disc. The problem then is that there are no controls in place on what street vendors can do. No protection of rights. Even most of corporate vendors (i.e., cooperatives and associations) have their members working street vendors. It is just a matter of requesting street vendors to burn a CD and put on it as much as content needed for a cheaper price. Consumers also, and often, bring their own flash disc or hard disc..

Regarding the informal distribution of audi-visual content, the international content supplied by translators is worth mentioning. It is worth emphasizing beforehand that translation is different from 'dubbing' or 'revoicing' in the film industry, which is the replacement of the voices. Of the actors shown on the screen with those of different performers speaking another language.

Graph 3: opinions about profit sharing in the film industry

Opinions of distributors on who mostly makes money between operators in audiovisual content distribution on CINEMA (%)
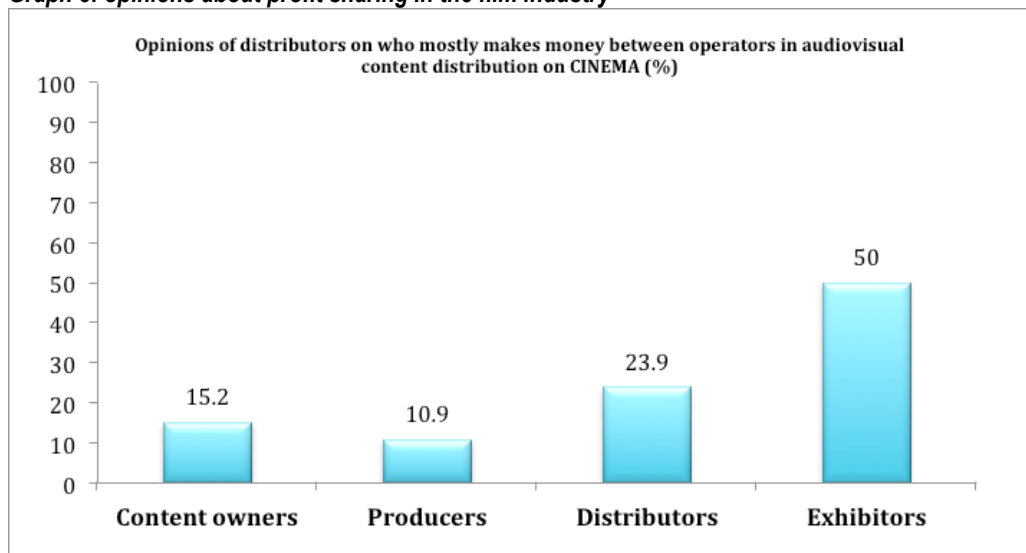
The majority of respondent in the assessment reported not being happy with the way prices of films are set. They also report that exhibitors in cinema are the ones who comparatively make more money. The graph pictures how owners/artists of the content and their producers do not get their fair share of return on their work.

When asked how they are respectively remunerated, distributors indicated that they are either remunerated by their bosses or through the return from how much they have projected films or supplied to customers. As they affirmed, the more they supply or sell much, they more they earn much.

The other problem reported is that of translating foreign films in kinyarwanda. The issue is not really the translation, it is rather the language used in the translation and how the translation often degrades the quality of the films. The other problem with the translation is that translated movies kill the movie market. A translated movie cost as little as 1000 Frw. The translators do not care about the production costs of the original film, which leads to market distortions.

The assessment also covered the recommendations from consumers on what to do to improve the situation.

Consumers' suggestions on the kind of capacity development needed for company/street vendors to best serve them (%)

Category	Value
Improve customer care	7.4
Increase the quality	51.8
Restrict international content	9.6
Reduce prices of local content	31.2

Respondents mainly find the quality of local film very low and recommend improving the quality. Some even went further to recommend the institution of a quarter system to content in a bid to push local film industry to produce quality films. Obviously, some recommend revising the costs of the local films.

Graph 2: Comparison between local and international audio-visual content distribution in Cinema and their trend.

Consumers' opinions on the comparative distribution of Local and International audiovisual content in cinema, per type (%)

Type	Local	International
Sports	37.9	62.1
Music video clips	41.5	58.5
Documentaries	29.4	70.6
Soap operas	30.5	69.5
Series	29.1	70.9
Movies	35.5	64.5

Distributors' opinions on the comparative distribution of Local and International audiovisual content in cinema in general and the trend (%)

	Local-made in Rwanda	International
General comparison of audiovisual content distribution on CINEMA	17.4	82.6
Trend of audiovisual content distribution on CINEMA	21.7	78.3

Consumers' opinions on the comparative distribution of local and international audiovisual content in cinema, in general and the trend (%)

As the above four graphs portray, respectively, the audio-visual products mostly distributed, and the trend, through cinema are international. In general, majority of both distributors (82.65%) and consumers (77.5%) indeed account, respectively, that the majority of audio-visual products distributed through cinema are international. Likewise, both distributors (78.3%) and consumers (80%) affirm that the trend of the content in question is also favoring the international content.

It is worth emphasizing that, as participants (both distributors and consumers) affirmed, foreign or international movies are the ones mostly distributed in Rwanda. To this point, the particular emphasis was put on movies translated in Kinyarwanda language (referred to as 'Agasobanuye') before their exhibition or selling to the public. As one of the distributors contended:

> *"This practice of translating foreign movies is not only a crime but also things are made worse by the fact that are no regulations punishing this crime of translating foreign movies, or at least regulating how this should be done." (A distributor of local and international movies and songs, Nyarugenge District).*

6.7. Operators in audio-visual supply through cinema

Operators in the supply of audio-visual content in cinema include content owners/artists, producers, distributors and exhibitors. Artists are the owners of the content. Producers are those operators who make or produce the content. Distributors are operators who engage in the promotion and publicity of the content, while exhibitors are those who make the content available to consumers.

Graph 3: Operators of Audio-visual content supplied through Cinema, their work and functions

Distributors' opinions on the nature of work and status of operators in audivisoaul content distribution on CINEMA (%)

Legend:
- Exhibitors
- Distributors
- Producers
- Content owners

Operators from whom consumers often buy audio-video content on TV (%)

Content owners	Producers	Distributors	Exhibitors
6	12.4	64.9	16.7
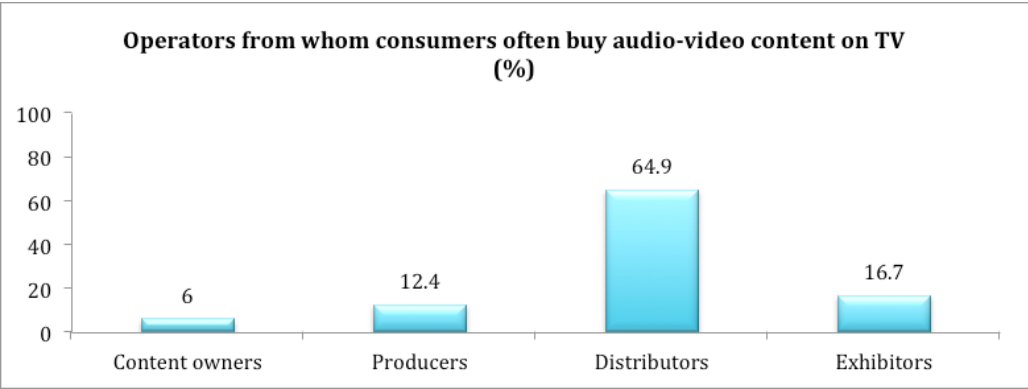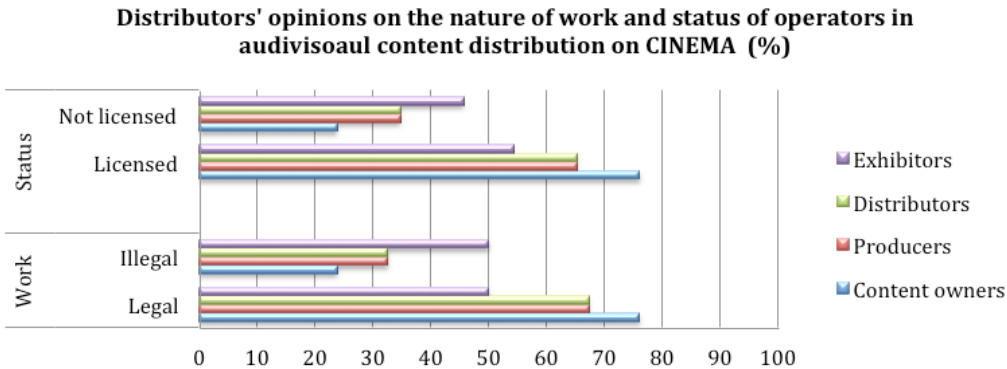
The above two graphs show that the majority of distributors affirm that operators of audio-visual contents supplied through cinema generally operate legally and have a license. To this point, comparatively, exhibitors however score lower, as emphasized by 50% and 54.3% of distributors visited. Otherwise, content owners/artists, producers, and distributors work legally, as respectively stressed by 76.1% and 67.4% of distributors visited, and that they eventually have the license, as also respectively highlighted by 76.1% and 65.2%.

About operators from whom consumers often buy audio-visual content through cinema, the second graph shows that the majority of consumers (64.9%) mostly buy cinema driven audio-visual content from distributors. Participants' explanations, in this regards, are that distributors are those who more or less benefit twice, not also enough though: "they both promote the content and sell the content, and for each operation they get money", as indicated by one of the distributors, Nyarugenge District.

6.8. Market linkages in the industry

The linkage here refers to the nature of collaboration between operators in the supply chain of audio-visual content in cinema. Findings are presented in the graph below.

Graph 4: Collaboration between operators in the content contribution in cinema

Opinions of distributors on the collaboration between operators in audiovisual content distribution on CINEMA (%)

Producers and Exhibitors
Producers and Distributors
Owners and Exhibitors
Owners and Distributors
Owners and Producers

0   20   40   60   80   100

- Absence of collaboration
- Informal
- Formal
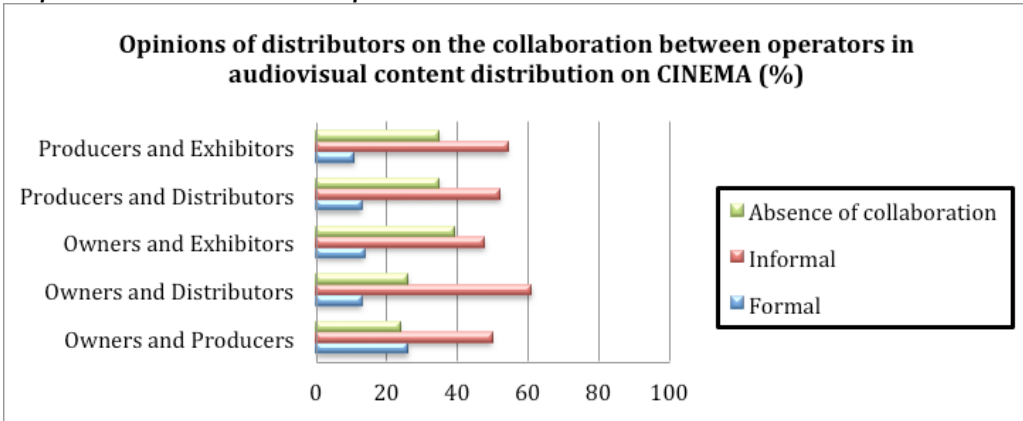
With regards to the collaboration between actors in the distribution of audio-visual content through cinema, the general observation from distributors visited is that the collaboration is informal. Comparatively, the formal collaboration between content owners/artists and producers is relatively improving (26.1%), though still very low

6.9. Distribution of audio-visual content

Graph 5: Distributors' level of satisfaction of environment and transparency in audio-visual content distribution in Cinema

Distributors' opinions on the Environment and Transparency in audiovisual content distribution on CINEMA (%)

Less efficient
I don't know
CUMULATIVE-EXISTENCE OF TRANSPARENCY
Very much transparency
Very poor environment
CUMULATIVE (very favorable and favorable)
Very favorable environment

0   10   20   30   40   50   60   70   80   90   100

- Environment,Transparency and State of audiovisual content distribution on CINEMA
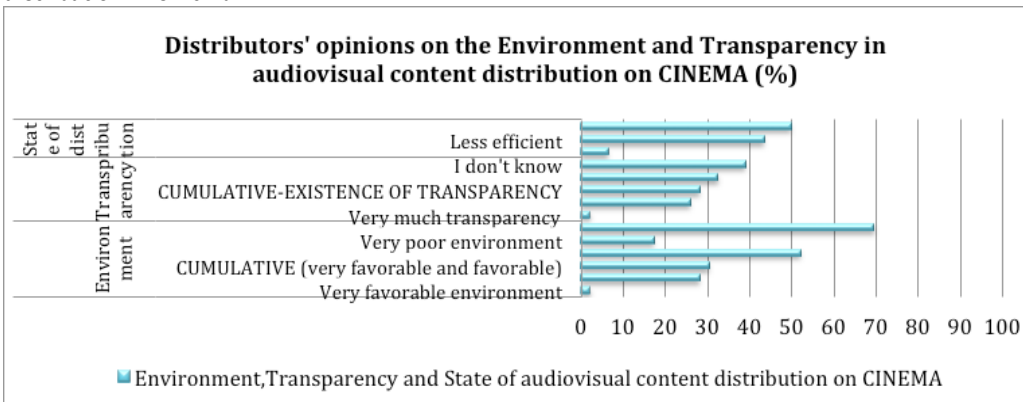
This graph shows that the majority of distributors, on aggregate (69.6%), consider the environment in which audio-visual content distributed in cinema as poor, whereby half (50%) of them stress that the state in which the content is distributed is not efficient. Only

2.2% consider this environment very favorable. As for transparency in the distribution of audio-visual content in cinema, the majority of distributors (39.1%) indicated to not know anything about this.

On the other hand, 32.6% of them think that transparency in the distribution of audio-visual content through cinema is absent. On aggregate, 28.3% of them think that transparency exists whereby 26.1% of them consider this transparency as only acceptable.

Graph 6: Distributors' level of satisfaction of pricing mechanisms and profit distribution for audio-visual content supplied in Cinema

Distributor's opinions on Pricing mechanisms of, and Profit distribution from, audiovisual content distributed on CINEMA (%)

Opinions of distributors on who mostly makes money between operators in audiovisual content distribution on CINEMA (%)
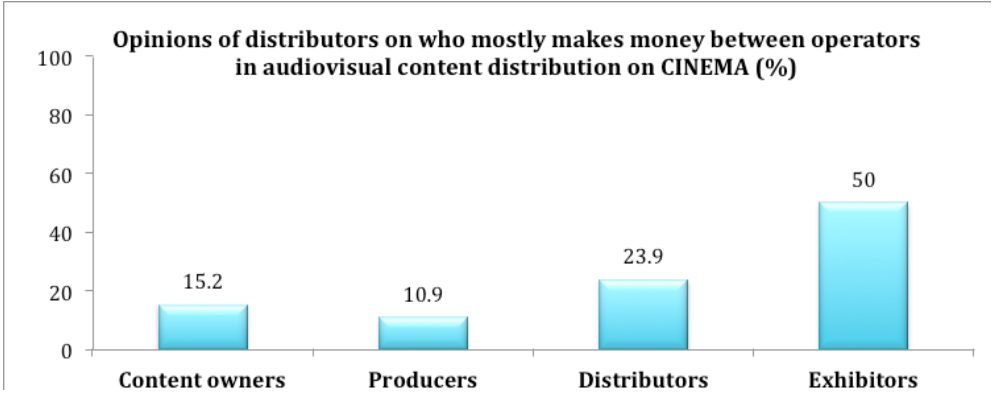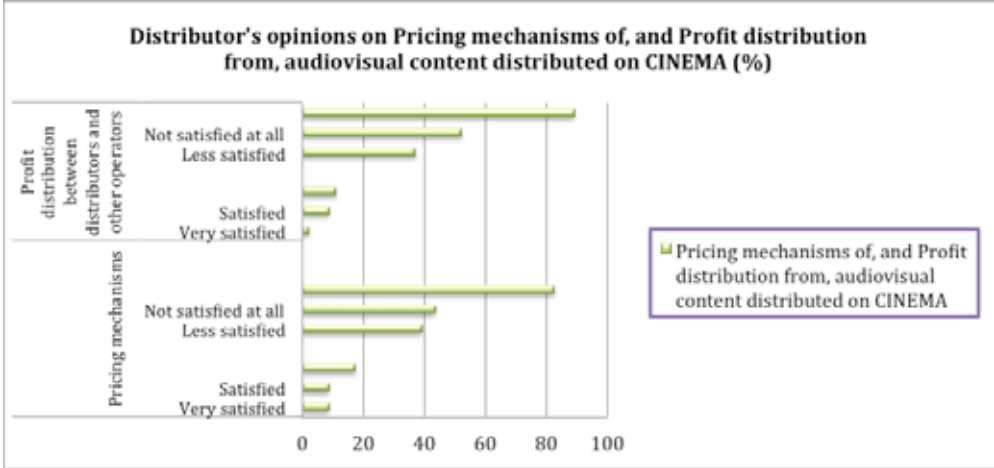
As pictured in the above first graph, on aggregate, the majority distributors (82.6% and 89.2%) affirm, respectively, that they are not satisfied with how audio-visual content distributed through cinema are priced and how the profit is eventually distributed between operators. In this regards, the second graph shows that half (50%) of distributors visited indeed affirm that exhibitors in cinema are the ones who comparatively make much more money. The second graph indeed pictures how owners/artists of the content and their producers are the least beneficiaries in comparison with the distributors and exhibitors online.
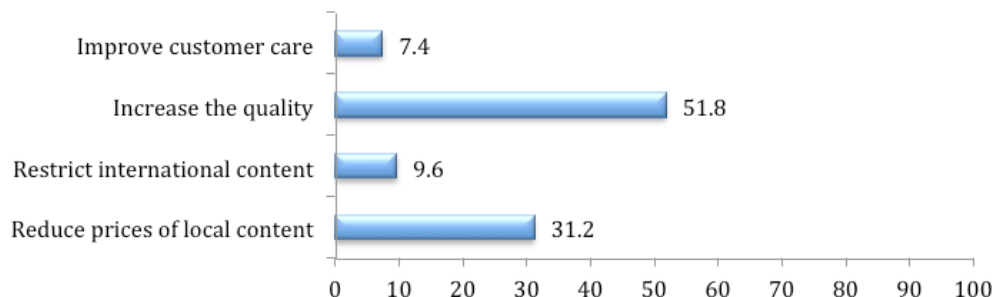
When asked how they are remunerated, distributors indicated that they are remunerated either by their bosses or through the return from how much they have projected or supplied to customers. As they affirmed, the more they supply or sell much, they more they earn much. As they accounted, bargaining is the medium for the fixation of prices and consequently returns.

Graph 7: Consumers' opinions on the quality to, access and price of, audio-visual content distributed in cinema
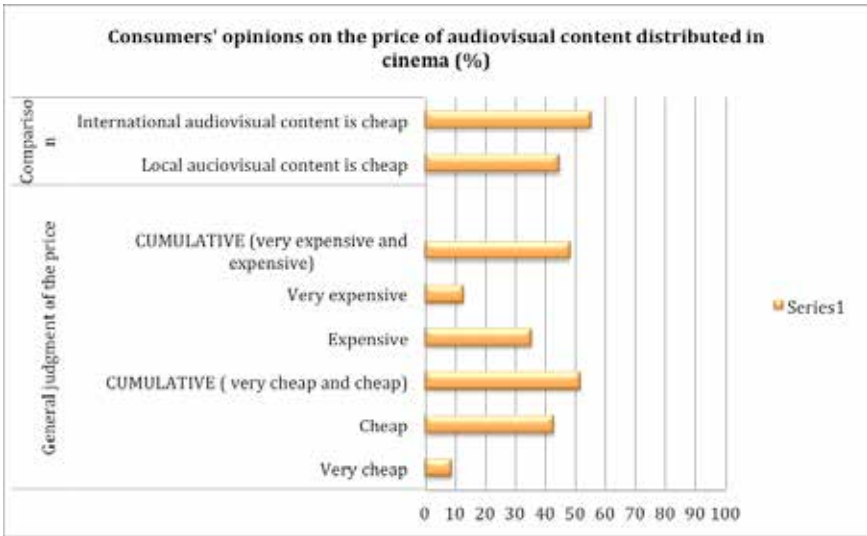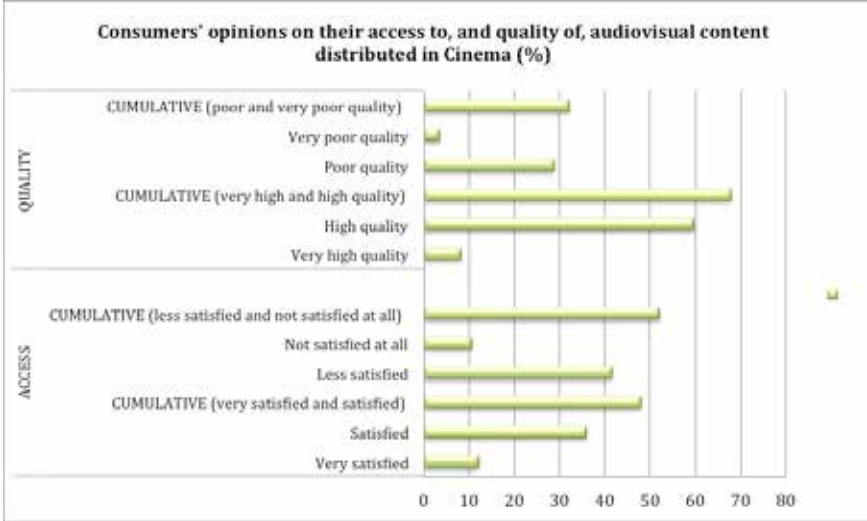
The above two graphs show consumer's perceptions on the access, quality and price of audio-visual content distributed through cinema. The first graph shows, on aggregate, that the majority of consumers (67.8%) affirm that they are satisfied with the quality of these products, indeed considered by many (59.6%) as high. Nevertheless, although 52.1% of respondents are satisfied with how they access these products, a considerable proportion

of them (47.9%) are not satisfied. This means that improvements in consumers' easy access to these products are necessary.

The second graph shows, on aggregate, that the slight majority of consumers (51.8%) consider the audio-visual products distributed through cinema as expensive. By comparing local and international audiovisual content distributed online, the majority of consumers (55.3%) consider international products as cheaper.

Graph 8: Whether cinema industry pays royalty interest to local content owners/artists
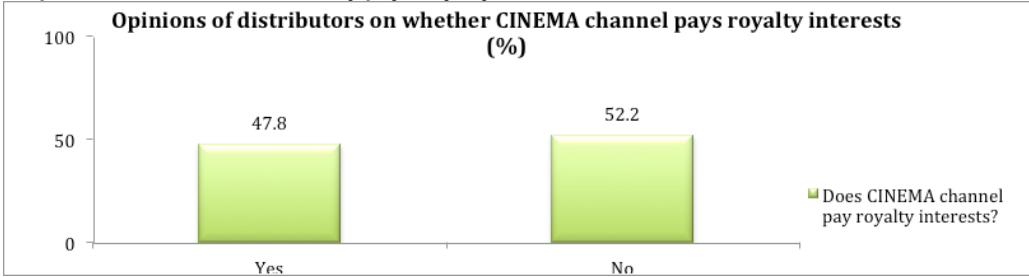
As this graph shows, with however a slight difference, and as it has been the case for online platforms, the majority of distributors (52.2%) hold that the cinema industry does not pay royalty interests to content owners/artists.

6.10. Structure

Participants indicated that there is no specialized public organization mandated to supporting suppliers in cinema of audio-visual content, as it was the case for TV and online content. As discussed earlier, participants indicated that even the existing Rwanda Broadcasting Agency (RBA) whose missions include "to ensure equitable distribution of infrastructure for audio and video broadcasting by interested licensed operators", as well as Rwanda Governance Board, which has a department responsible for the development of the media sector, have not so far been effective.

The recommendations in this regard point to the necessity for a platform for cinema content. The promotion of dubbing was also found to be an effective solution to the unprofessional, illegal, and less-profitmaking vernacularizing of the international movie content by translators. Therefore, instead of having international movies denatured through vernacular language, dubbing will be a best solution. Dubbing will also be a new innovation and opportunity to have more producers who will this time also translate local content to be sold to international viewers. The promotion of dubbing will thus have multiple benefits: facilitating access to international content by local viewers, as well as access to local content by international viewers; but also engaging in professionalism that consequently protects the IPR with consequent taxes collection. Future professional dubbing professionals will thus have to be trained by the dubbing platform to be created.

6.11. Operators in the end supply of audio-visual content

In this section, the operators/vendors involve artists/producers, corporate vendors and street vendors. In particular, translators—those 'translating' international movies with vernacular language are also part of operators as, producers/artists. Discussions are about the work status of these vendors, in general, as well as whom consumers often go to buy the content. VIGAR is an illustrative corporate company licensed to distribute audio-visual content. VIGAR distributes music, movies, documentary and other audio-video contents.

VIGAR will thus serve as one of the informative experiences in the distribution of audio-visual content from whom to learn how to further promote the content in question to the benefit of all operators, as well as consumers, in the audio-visual industry in Rwanda. The graphs below provide the general working status of vendors and from whom consumers/ user buy the content.

Graph 9: Respondents' views on operators in the selling of audio-visual content distribution in Rwanda, work status and functions
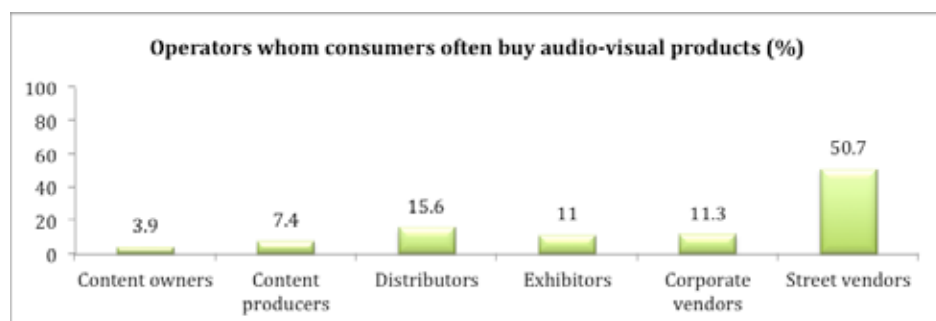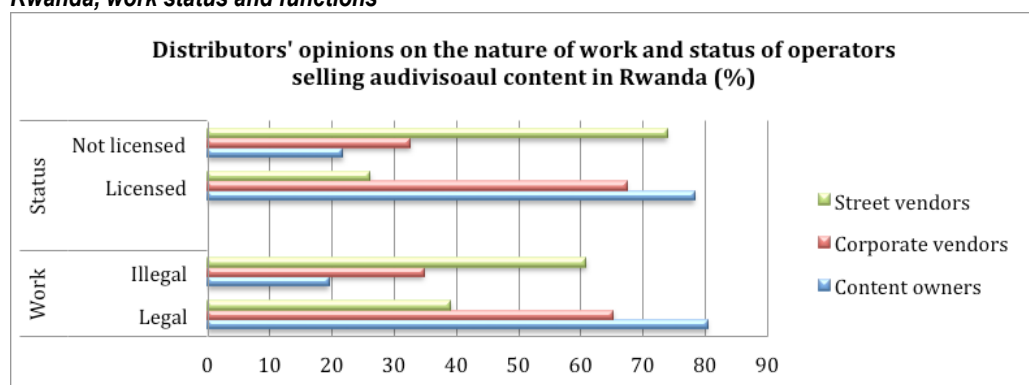
It is clear in the above first graph that distributors contend that street vendors work illegally and that majority of them do not have a working license, as respectively expressed by 60.9% and 73.9% of distributors (vendors included). On the positive note, however,

content owners/artists and corporate vendors generally work legally (80.4% and 65.2%, respectively) and eventually have the working license (78.3% and 67.4%, respectively). But from whom do consumers buy the content? The graph below provides results.

The second graph shows that the majority of consumers (50.7%) mostly buy cinema driven audio-visual content from street vendors. Even most of corporate vendors (i.e., cooperatives and associations) have their members working street vendors. It is just a matter of requesting street vendors to burn a CD and put on it as much as content needed for a cheaper price. Consumers also, and often, bring their own flash disc or hard disc. What worries most is that audio-visual products are sold by, bought from, street vendors who by working informally, illegally and without license, do anything they want to the content (piracy, multiplication, and deliberate pricing).

Regarding the informal distribution of audio-visual content, the international content supplied by translators is worth mentioning. It is worth emphasizing beforehand that vernacuralisms is in no way 'dubbing' in the fil industry, which is the replacement of the voices. Of the actors shown on the screen with those of different performers speaking another language.

6.12. Translators as special vendors/producers in Rwanda

Vendors normally known are artists or owners are those who produce their own audio-video content. This refers notably to international movies which is 'loosely translated' through vernacular language. The experience of VIGAR, a distribution company which works with them, is informative.

In fact, international movies are illegally translated in Rwanda, which is often far from reflecting the original message of the movie. Elite generally do not digest to see their children watch these translated movies and most of the time do what they can to prevent them from watching them. The problem is not the movies themselves, but the vernacular words used by translators (translators' identity and/or voices are kept in secret/unknown).

Most of words used by translators are insulting and rubbish. The experience of VIGAR is that the translators who are operational in Rwanda indeed not more than 4 in number focus much on making money than using decent words. They even invent new things (not shown by the movie) with the aim to make the movie very much liked by the public. Their most target is the youth, the majority of indeed like the vernacular language, all the more so since translated movies are of best quality and very cheap (for example one, and even many, translated international content costs 200 RWF while the local one is 100 RWF).

6.13. Prices of movie vernacularizing

Policy intervention	Target	Indicator	Stakeholder	Time frame/Budget ('000,000 Frw)					Total
				2019-20	2020-21	2021-22	2022-23	2023-24	
THEATRE									
1. Train artists and technical staff in stagecraft management and technical skills 2. Train script writing for theater and comedy 3. Train directors and producers in casting and cast management	Increase the number of professionally trained performers and managers	Number of people trained in each cluster	RALC, RDB, MINISPOC, RAC	20	20	20	20	20	**100**

Policy intervention	Target	Indicator	Stakeholder	Time frame/Budget ('000,000 Frw)					Total
				2019-20	2020-21	2021-22	2022-23	2023-24	**1,465**
GENERAL MANAGEMENT OF ART PROJECTS									
Train artists, technical staffs and managers in entrepreneurship skills related to arts Train artists and managers in history of arts (all categories of arts) Train managers and technical staffs in project elaboration and presentation Train managers and technical staffs in project planning and execution Train managers and technical staffs in cost analysis models and techniques Train managers and technical staffs in pricing models and techniques	Build art related business professionals to run successful businesses for increased revenues	Number of people trained in each cluster	Number of people trained in each cluster	50	50	50	50	50	**250**

Activity	Expected output	Indicator	Responsible institution						Total
Train managers and technical staffs in marketing of artworks									
Train artists, managers and technical staffs in planning and organizing an exhibition									
Train artists, managers and technical staffs in business environment regulations (Import/export/IP laws…)									
Collective collection and management of royalties									
MARKETING OF CCI									
Align CCI as promotion channels for products and services by									
Train managers and artists to assess the interests, needs and preferences of sponsors	Promote market driven production and management of CCI	Number of people trained	RALC, MINISPOC, RP, PSF, RAC, RDB	40			40	40	120
Build celebrity capital that enables star artists to benefit from celebrity association to promotion campaigns and advertisement		Number of contract signed	RALC, RDB, MINISPOC, RAC	25	25	25	25	25	**125**
Artists, managers and agents to build brand equity to ensure long term corporate promotion contracts				25	25	25	25	25	125
Conduct regular market research by art Category (music, film, plastic arts…)	Promote evidence based policy actions and business management	Report	RALC, RAC	70			70	70	**210**
Establish market segment and niches for each art category		Number of niches	RALC, RAC		20		20		40
Manage marketing efforts of CCI	Promote evidence based policy actions and business management	Number of surveys	RALC	25			25	25	**75**
Conduct customer satisfaction Surveys by art category		Number of positive feedbacks	RAC						
Build positive image of the art and artists									

6

Activity	Objective	Verification	Responsible						Total
Conduct audience preferences and interests mini surveys		Number of surveys	RALC		50		50		100
Assess the market share of local art			RALC	45		45		45	**135**
Assess the range of consumers' maximum expenditure on art per month, frequency and preference factors (every 2 years)		Report	RALC	50			50		100
Introduce a ranking system by star and genre in all art categories	Improve competitiveness of the industry	Ranking system MIS	RALC	40	40				80
Bi-annually rank stars and genres in all art categories		Report				35	35	35	**105**

- The talented translator (entertainer) downloads the international movie either online or from television channels.
- The translator then 'translates' the movie using vernacular language and other entertaining words and expressions that they know will attract the public
- The translator then makes copies of the vernacularized movie
- The translator enter into agreement with the distributor/corporate vendors (VIGAR in this case) or sell the translated movie to both corporate vendors and sometimes directly to street vendors.
- Corporate vendors (VIGAR in this case) sells the movie to its agents, who are indeed street vendors, either by handing in the CD to them or putting the movie in the computer of street vendors
- Street vendors then sell the vernacularized movie to the end consumers/users.

VIGAR's experience is that that the process is informal and not everyone in the process makes it profitable to the maximum, or at least satisfactorily. The major problem in this process is that VIGAR or any corporate vendor has the possibility to only sell one CD as street vendors multiply the vernacularized movie.

With the intention to make more money, translators often sell the movie to both corporate vendors and street vendors, which undermines the business of corporate vendors (VIGAR in this example). Unfortunately, it is impossible to legalize this practice given that not digested in Rwanda (given the vernacular language) but also and most importantly because the system in Rwanda, throug IP law, is to seek the legal copyright of the content from the owner. Therefore, the copyright of international content is also to be granted by the international owner.

VIGAR's experience from movie vernacularism thus suggests another way of doing things professionally, profitably, fairly, and in a way that complies with IP law; and this way is dubbing as later discussed in the recommendations.

The government, through multi-stakeholder efforts, supports the film industry. There is Rwanda Film Federation that aims at promoting Rwandan film industry sector, also there good actors being supported in this regard for example having film office in Rwanda Development Board. However, there are still many challenges that limit the performances of the industry. A number of these challenges have been articulated by the Ministry of Sport and Culture (2016); they include the following:

1. Insufficient number of film making training schools;
2. Limited investments arts;
3. Inexistent schemes or initiatives supporting emerging talent;
4. High cost of equipment;

5. Low level of production technology;
6. Inadequate investments in research relating to culture heritage;

Even though many of the above-mentioned challenges have been identified in 2016, they are still reflected in many interviews conducted this year during this assessment. A SWOT analysis conducted just in March 2019 revealed the following.

6.14. SWOT analysis for plastic/visual arts industry in Rwanda

Strengths	Weaknesses
• Existence of growing talents • Potential to create jobs • Potential to popularize Rwandan culture • Potential to promote the use of Kinyarwanda	• Low quality of films • Unskilled actors • Undifferentiated value chain (no specialization and no division of labor) • Use of obsolete/outdated technology • Unskilled script writers • No clear production processes
Opportunities	Threats
• Political will • Supportive structure: policy, public institutions (Ministries), Rwanda Film Federation, RALC, RDB • Existence of Intellectual property law	• Lack of Promotion in Film Industry • Accessing the market local & international is challenging • Piracy • Lack of preference for local content

6.15. Implementation matrix

Policy intervention	Target	Indicator	Stakeholder	Time frame/Budget ('000,000 Frw)					
				2019-20	2020-21	2021-22	2022-23	2023-24	
FILM INDUSTRY									2,115
Promote training in film making techniques and technologies	Improve film making skills	Number of artists trained	RP, RALC, MINISPOC, WDA, PSF, RAC, MINEDUC	40	40	40	40	40	200
Carry out investment campaigns in film industry	Increase investment in the industry	Level of investments (need to establish a baseline)	RALC, MINISPOC, PSF, RAC, RDB	10	10	10	10	10	50
Invest in talent detection programs	Build a pool of talent	Number of new artists in the industry	RALC, MINISPOC, PSF, RAC, RDB	30	30	30	30	30	150
Establish tax exemptions for film making equipment	Promote investment in equipment	Level of investments (need to establish a baseline)							
Train artists in pre-production management of film projects: concept testing, demo testing, design optimization, film account management	Promote successful film projects	1. Number of successful films produced 2. Level of revenues generated 3. Number of Discs sold 4. Size of audience (need to establish a baseline)	RP, RALC, MINISPOC, WDA, PSF, RAC, MINEDUC, RDB	50	50	50	50	50	250
Train artist in post-production management: film launch, pre-launch market survey, pre-launch film testing...									

Policy intervention	Target	Indicator	Stakeholder	Time frame/Budget ('000,000 Frw)					Total
				2019-20	2020-21	2021-22	2022-23	2023-24	

GENERAL MANAGEMENT OF ART PROJECTS

Policy intervention	Target	Indicator	Stakeholder	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Train artists, technical staffs and managers in entrepreneurship skills related to arts	Build art related business professionals to run successful businesses for increased revenues	Number of people trained in each cluster	Number of people trained in each cluster	50	50	50	50	50	250
Train artists and managers in history of arts (all categories of arts)									
Train managers and technical staffs in project elaboration and presentation									
Train managers and technical staffs in project planning and execution									
Train managers and technical staffs in cost analysis models and techniques									
Train managers and technical staffs in pricing models and techniques									
Train managers and technical staffs in marketing of artworks									
Train artists, managers and technical staffs in planning and organizing an exhibition									
Train artists, managers and technical staffs in business environment regulations (Import/export/IP laws…)									
Collective collection and management of royalties									

MARKETING OF CCI

Align CCI as promotion channels for products and services by									
Train managers and artists to assess the interests, needs and preferences	Promote market driven	Number of people	RALC, MINISPOC,	40	40	40			120

Activity	Objective	Means of verification	Responsible body						Total
of sponsors	production and management of CCI	trained	RP, PSF, RAC, RDB						
Build celebrity capital that enables star artists to benefit from celebrity association to promotion campaigns and advertisement		Number of contract signed	RALC, RDB, MINISPOC, RAC	25	25	25	25	25	**125**
Artists, managers and agents to build brand equity to ensure long term corporate promotion contracts				25	25	25	25	25	125
Conduct regular market research by art Category (music, film, plastic arts…)	Promote evidence based policy actions and business management	Report	RALC, RAC	70		70		70	**210**
Establish market segment and niches for each art category		Number of niches	RALC, RAC		20		20		40
Manage marketing efforts of CCI	Promote evidence based policy actions and business management	Number of surveys	RALC	25		25		25	**75**
Conduct customer satisfaction Surveys by art category		Number of positive feedbacks	RAC						
Build positive image of the art and artists									
Conduct audience preferences and interests mini surveys		Number of surveys	RALC		50	50			100
Assess the market share of local art				45	45	45		45	**135**
Assess the range of consumers' maximum expenditure on art per month, frequency and preference factors (every 2 years)		Report	RALC	50		50			100
Introduce a ranking system by star and genre in all art categories	Improve competitiveness of the industry	Ranking system MIS	RALC	40	40				80
Bi-annually rank stars and genres in all art categories		Report		35	35	35	35		**105**

6

6.16. Recommendations for the film industry

The film industry in Rwanda is young, inefficient, and mainly unorganized. To promote it, it is important to organize it. Organization starts with case study research, analyzing how similar industries work, what challenges they face, how they use existing opportunities as well as how their value chains and processes are structured. While case study analyses are great sources of information and inspiration to emulate, it is important not to forget some basic but critical issues to be fixed. The following are a simple example of such problems.

To the Government

Legal and policy framework

Cinema and film is a growing industry in Rwanda; and for many of the following reasons, it should be given due legal and policy considerations for it to grow profitably.

1. Many people both residents of Rwanda and non-residents watch Rwandan films.
2. Many small and big investors alike invest in film projects.
3. Often these investments do not produce a return on investment; as such reinvestment becomes a problem.
4. Many of the film making companies invested in are informal businesses and as such contract enforcement is difficult etc

The challenges highlighted in this sector profile are only a small representation of the many challenges and constraints hindering the growth and profitability of the industry. There is need to adopt a policy approach to the development of the film industry. A policy option would make it possible to enact relevant laws and instructions that would see authors' rights and royalties protected. In addition, it would also seek to formalize film-making firms and as such protect investments in film production and distribution.

Moreover, content regulation, distribution and use can be better managed if appropriate policy interventions and legal protections are in place. Lastly, audio-video distribution and authors' rights and royalties can be better protected, promoted and regulated if there is a specific legal and policy framework in place. Therefore, it is highly recommended that consultations be launched to brainstorm about the formulation and benefits of a film policy as well as an audio-visual media distribution strategy with the required legal enforcements and incentives in place.

Investment promotion and protection

- Train actors and operators in the industry in the history of art specifically history of film (RALC).

The film industry evolves with time in new technologies, new competencies and new management styles as well as investment models. It requires precise understanding of what other industries (Hollywood, Nollywood, Bollywood…) have done to reach where they are. Nollywood learnt a lot from Hollywood; this is what Hollywood should do as well.

- Production houses need to be trained in business model designing. The market based view is recommended (RALC, RDB, RAC).

Filmmaking is a business. So a business model is needed. Although the market view is recommended, the resource model can also teach something about resources management. A value chain approach is important to clarify the value proposition, the revenue model, the key resources and processes; the customer experience management… the table on page 23 and question on page 27 should be answered by each film production house.

- Provide specialized training in pre-production, production management and post production management (RALC)

The example of Hollywood production stages should inspire movie production. While the stages cannot be copied and pasted, they should guide how the local industry need to evolve into real business.

- Conduct a market research on film industry in Rwanda to inform policy actions (RALC)

A market research to identify consumer wants, customer past experiences, level of customer satisfaction, successful distribution routes and markets, target niches, and market position.

- Promote training in film making techniques and technologies (RALC)
- Promote investment in film industry (RAC, RDB, MINISPOC, RALC, INMR)
- Promote talent detection programs (RAC, RALC)
- Establish tax exemption for film making equipment (MINISPOC, RAC)
- Train artists in pre-production management of film projects: concept testing, demo testing, design optimization, film account management (WDA, RAC, RALC, MINISPOC)
- Train artist in post-production management: film launch, pre-launch market survey, pre-launch film testing…(RAC, RALC, WDA)

- Conduct consumer review and feedback on movies in Rwanda (RAC, RALC)
- Organize the distribution system of film in Rwanda (RALC, RAC)

It is important to analyze the distribution and understand the challenges. Then adopt reforms to the system to improve its operations.

- Promote local content in local media houses (RDB, RALC, RAC, MINISPOC)
- Revise the pricing model of the film (RALC, RAC)
- Coordinate the distribution network through introduction of distribution houses (RALC, RAC)
- Invest in performing arts infrastructures (multipurpose art halls) in at least secondary cities (districts)

To filmmakers

- Invest in the industry
- Invest in learning skills and acquiring competencies
- Separate artistic and business departments
- Co-invest in film projects: prefer portfolio investment and management to solo investment schemes
- Carry out pre-shooting, post-shooting, pre-casting and pre-distribution surveys to minimize losses

To distributors

- Unite and form a strong cooperative with clear management structure and enforcement of management controls to ensure that film distribution is fairly regulated and no films are sold without the cooperative's approval
- Initiate a MoU with film producers to ensure that no film produced locally is sold by any other person other than bulk sales by the cooperative
- Initiate MoU with film production houses to ensure that no film is sold without the cooperative's approval
- Initiate MoU with RDB and RNP to ensure that IP law is enforced and that trespassers are prosecuted
- Initiate MoU with film streaming companies to purchase selling rights and ensure that author's rights and royalties are protected

To Television houses

- Request better quality films for screening to encourage producers to produce better films

- Initiate MoU with RURA and Cable TV companies to price update prices of TV subscriptions to match the production costs of content distributors as well as airing film costs

To consumers

- Provide feedback to film makers to help them improve the quality of films and match your expectations
- Buy at least 10 films per year rather than share films free of charge

7   PLASTIC ARTS

7.1. Definition

Plastic art refers to the art of physical manipulation of a plastic medium by molding, modeling in such arts as sculpture or ceramics, glass, paper and metal works and handcrafts. The term has also been applied more broadly to all the visual arts (such as painting, drawing, mosaic and collage). With reference to the materials used in the plastic arts, and in the narrower sense, it includes those that can be carved or shaped, namely, the stone, wood, concrete, and metal. "Plastics" meaning certain synthetic organic resins have been used ever since they were invented, but the term "plastic arts" long preceded them.

7.2. Types of plastic arts

Plastic arts in a broad sense includes the following artistic activity:

7.2.1. Ceramic art

Ceramics is an art that uses ceramic materials, including clay. Ceramic artworks may take forms that include artistic pottery, including tableware, tiles, figurines and other sculpture such as toilet sinks and bowls. While some ceramics are considered fine arts, such as pottery or sculpture, some others are considered to be decorative (figurines and vases), industrial (floor tiles) or applied art objects table wares.

Aspects of ceramic art, upon which different degrees of emphasis have been placed at different times in history are the shape of the object, its decoration by painting, carving and other methods, and the glazing found on most ceramics. Thus, ceramic artworks can be differentiated according to the following.

The material molded,

1. Clay- Different types of clay, when used with different minerals and firing conditions, are used to produce earthenware, stoneware and porcelain.
2. Earthenware is pottery that has not been fired to vitrification and is thus permeable to water. Earthenware is often made from clay, quartz and feldspar.
3. Stoneware is a vitreous or semi-vitreous ceramic made primarily from stoneware clay or non-refractory fire clay. Stoneware is fired at high temperatures.
4. Porcelain is a ceramic material made by heating materials to temperatures between 1,200 and 1,400 °C (2,200 and 2,600 °F).

Surface treatments

1. Painting: with different colors and forms to bring out admiration of the sight
2. Slipware: by use of soft clay to put patterns onto the surface of the artwork

Artwork produced

1. Tile: this is a manufactured piece of hard-wearing material such as ceramic, stone, metal, or even glass, generally used for covering roofs, floors, walls, showers, or other objects such as tabletops.
2. Figurines: these are statuettes that represent a human being, deity, mythical creature, or animal. Figurines may be realistic or iconic, depending on the skill and intention of the creator.
3. Tableware: these are dishes or dishware used for setting a table, serving food and dining. It includes cutlery, glassware, serving dishes and other useful items for practical as well as decorative purposes. Dishes, bowls and cups may be made of ceramic, while cutlery is typically made from metal, and glassware is often made from glass or other non-ceramic materials. The quality, nature, variety and number of objects varies according to culture, religion, number of diners, cuisine and occasion

7.2.2. Collage art

This is a technique of an art production, primarily used in the visual arts, where the artwork is made from an assemblage of different forms, thus creating a new whole.

A collage may sometimes include magazine and newspaper clippings, ribbons, paint, bits of colored or handmade papers, portions of other artwork or texts, photographs and other found objects, glued to a piece of paper or canvas. There exists collage in painting, wood collage, decoupage and photomontage all of which are combinations of collage with other forms of art to produce artworks of a different kind.

7.2.3. Drawing

This is a form of visual art in which a person uses various drawing instruments to mark paper or another two-dimensional medium. Instruments include graphite pencils, pen and ink, various kinds of paints, inked brushes, colored pencils, crayons, charcoal, chalk, pastels, various kinds of erasers, markers, styluses, and various metals (such as silverpoint). Digital drawing is the act of using a computer to draw. Common methods of digital drawing include a stylus or finger on a touchscreen device, stylus- or finger-to-touchpad, or in some cases, a mouse. There are many digital art programs and devices.

7.2.4. Glass art

It refers to individual works of art that are substantially or wholly made of glass. It ranges in size from monumental works and installation pieces, to wall hangings and windows, to works of art made in studios and factories, including glass jewelry and tableware.

7.2.5. Mosaic

This is a piece of art or image made from the assembling of small pieces of colored glass, stone, or other materials. It is often used in decorative art or as interior decoration. Most mosaics are made of small, flat, roughly square, pieces of stone or glass of different colors, known as tesserae. Some, especially floor mosaics, are made of small rounded pieces of stone, and called "pebble mosaics".

7.2.6. Painting

This is the practice of applying paint, pigment, color or other medium to a solid surface (support base). The medium is commonly applied to the base with a brush, but other implements, such as knives, sponges, and airbrushes, can be used. The final work is also called a painting.

7.2.7. Paper craft

This is the collection of art forms employing paper or card as the primary artistic medium for the creation of three-dimensional objects. It is the most widely used material in arts and crafts. It lends itself to a wide range of techniques, as it can for instance be folded, cut, glued, molded, stitched, or layered. Papermaking by hand is also an important paper craft. Painting and calligraphy though they are commonly applied as decoration are normally considered as separate arts or crafts.

7.2.8. Sculpture

This is the branch of the visual arts that operates in three dimensions. Durable sculptural processes originally used carving (the removal of material) and modelling (the addition of material, as clay), in stone, metal, ceramics, wood and other materials but, since modernism, there has been an almost complete freedom of materials and process. A wide variety of materials may be worked by removal such as carving, assembled by welding or modelling, or molded or cast.

7.2.9. Fiber art

It refers to fine art whose material consists of natural or synthetic fiber and other components, such as fabric or yarn. It focuses on the materials and on the manual labor on the part of the artist as part of the works' significance, and prioritizes aesthetic value over utility.

7.3. Issues in plastic arts marketing

In the field of plastic arts marketing holds promise for meaningful research and theory development in a number of areas. The most notable are: the structure of the plastic arts industry and marketplace, plastic arts market segmentation, consumer behavior and its relation of artistic producer motivations, hedonistic experiences in buyer motivations, factors in value assessment, opaque markets, artist brand development, brand associations, and the implications of the role of corporate plastic arts sponsorships for valuation of artworks. Moreover, the field of plastic arts marketing is one of extremely high annual sales value (AMMA 2016; United States Census Bureau 2015) and may even play a role in community economic development (The New England Council 2000; Heath and Reed 2013; De Marchi, Craufurd and Goodwin 1999). Recognizing the importance of the field, the objective of this paper is to stimulate a broader discussion of what can be learned from plastic arts marketing in practice, how unique aspects of arts marketing can contribute to marketing theory, and how marketing may contribute to the market success of artists and plastic arts marketing intermediaries.

7.4. Perspectives of Artists May Conflict with Marketing

When considering marketing and art, it is helpful to consider that for some artists the idea of marketing and art are anathema as art is considered a sacred act of self-expression, while many other artists may welcome support and help as do institutions acting as marketing facilitators and intermediaries. Lee (2005) points out that adoption of marketing techniques (and consequent research on effectiveness) ignores the fundamental incompatibility of marketing as a thought process and the traditional romantic view of the arts. The idealistic view of art as self-expression relates to the Marxian concept of alienation of man from his labor (Marx 1966; Meszaros 1970; see also Marx 1961 regarding market value) and ties also to Hirshman's (1984) concept of the artist entering into exchange with himself or herself. If one accepts that marketing is consumer focused, rather than producer focused (Kotler 2003; Bagozzi 1975), the problem is readily apparent. In one view, the artist produces artworks as a means of self-expression of social or hedonistic experiences, whereas in another view artists and arts organizations perform roles and hold self-images closer to "free-professionals" (lawyers, doctors, teachers) to whom the

client (potential buyer) comes for the specialist's knowledge that the client lacks. For this reason, much of the application of marketing has been at the tactical level presumably applicable across otherwise disparate groups. However, it remains legitimate to question whether the traditional view of marketing focusing on customer satisfaction and customer needs is adequate or even appropriate for the field of plastic arts in which the producer's motivations may be more complex and personal than financial profit.

In plastic arts communities, there is often strong opposition to a traditional marketing view due to beliefs of many in the industry that there are social, philosophical and moral dimensions to artworks that are necessarily violated and diminished by appeals for wide popularity. The divide over greater appeal vs "true art" is apparent within the arts production community (Schell 1995) quite apart from direct recourse to marketing tactics. For example, there are questions of authenticity of the artist's motivations as illustrated by debates over the status of classical music vs. rock vs. jazz vs. "popular music," comparisons of Hirst vs. Rembrandt vs. Kinkade, and the decline in "critical" appreciation for art works that achieve popular acclaim or high sale prices (see for instance, Gage 2012). As the non-specialist consumer of culture becomes more salient in attracting financial and media support, often the specialist community becomes less supportive. Therefore, a key question is what are the goals of artists and arts organizations and do how the traditional marketing orientation and traditional marketing practices fit with those goals (Thach 2013). A further research and theory development question is "what would be a better marketing orientation and what marketing practices would best fit plastic arts marketing in which the product itself fulfills the producers goal but its continued production depends on financial profit through marketplace sales?"

7.5. The Marketplace of the Plastic arts

The Marshall-Forrest (2011) model of the plastic arts marketplace raises many questions regarding the need to document and verify the roles of artistic factors, product factors, marketing facilitators, and marketing intermediaries in the   valuation of fine artworks and the development of the artist as a brand. For several modern artists, the development of the artist as a brand also involved the development of Celebrity status. Celebrity status itself may enhance value (Kotler and Stoller 1997). Of particular importance would be further studies into how marketing facilitators and intermediaries establish value for fine artworks under the considerations of an opaque market (Thach and Marshall 2016; Fisher 2013). These intermediaries include the obvious as in dealers and agents, and the less obvious including institutions, academics, reviewers, and site vendors. To this end, and given the state of the field, it would be appropriate for marketing academics to institute an aggressive program of both historical and contemporary case studies. Several such studies do exist including Alpers' (1988) examination of Rembrandt, Desborde's (2014) and Desborde and Marshall's (2016) studies of Picasso, Desborde's (2013) review of the

French Impressionists, and Fitzgerald's (1995), Jensen's (1994), and Watson's (1992) reviews of the development of Modernism, among others (Garton 2012; Medford 2014; Morrison (2011); Naumann 1996a,b; Russell 1999; Schroeder 2002; Simpson 1986).

Institutions such as museums, universities, galleries, corporations, etc. (non-profit and for-profit) are both buyers and sellers and actively serve as intermediaries legitimating and promoting works of art (Staniszewski 1994, 1998, 2001; Kawashima 2012; PC Magazine 2014; Kotler and Kotler 1997). This raises interesting issues regarding the complicated nature of intermediaries in arts markets. These institutions are important in the education of consumers, validation and valuation of artifacts, and historical research. At the same time, institutions are engaged in marketing themselves in various ways for both support (donors, season tickets, memberships) and influence. How are conflicting marketing goals resolved, and what marketing strategies and tactics best fit the fine arts?

7.6. Consumer and Producer Motivations and Market Segmentation

One key area for research consideration is the potential to segment plastic arts markets by consumer (as opposed to institutional buyer) motivations and the relationship between consumer and producer motivations. This theory and research track might begin with Dewey on Art as Experience (1934) and Hirshman's (1984) work on aesthetics and the marketing concept and her suggestion that in some cases the artist is engaging in marketing exchange with him- or herself, and anthropological studies of how esthetic cultural values and symbols are socially created and assigned value (Ohmann 1996).

Additional research questions in this area are suggested by comparisons of the careers of now famous artists such as Rembrandt and Van Gogh (Desborde and Marshall 2015, 2016). Additional attention must be directed toward serious (assuming that this could be defined with a reasonable degree of consensus) artists using new technologies for promoting and distributing their work (Forrest, Marshall and Piper 2014) as well as the increasing importance of fairs for both artifact and attendance sales. Regarding market segmentation based on buyer motivations, consideration might be given to how products are selected by influential institutions, collectors, and purchasers for aesthetic enjoyment or as representatives of a movement in art or of an artist.

7.7. Changing perspectives to 'Marketing from the Art World'

Kotler and Levy's seminal article (1969) expanded the concept of marketing into all types of organizations, as well as services, people and ideas. Following Kotler and Levy (1969), the 1970s witnessed the development of marketing concepts in the sectors such as

health, service industries and non-profit organizations (Colbert and St-James 2014). The field of art was not immune from this trend and the concept of marketing was introduced to the plastic arts sector.

Diggle (1976, 21) defines arts marketing as follows: "the primary aim of arts marketing is to bring an appropriate number of people into an appropriate form of contact with the artists and in so doing to arrive at the best financial outcome that is compatible with the achievement of that aim".

In its beginning, plastic arts marketing was concerned with "marketing as a set of techniques" (Lee 2005, 292). In other words, the tactics from marketing in commercial sectors were directly applied into arts to increase the sales of tickets. For instance, Newman (1977) stressed subscriptions as a tactic to increase audiences for performing arts. In this period, therefore, research in the field examined the audience's activities of learning or education (Rentschler 2002).

In the 1980s, the influence of marketing on the plastic arts sector increased considerably and many handbooks about plastic arts marketing were published, including *The Guide to Art Marketing* (Diggle 1984), *Marketing the Arts* (Mokwa, Dawson, and Prieve 1980), and *Marketing the Arts*! (Melillo 1983). In the preface to Marketing the Arts, Kotler (1980, xv) said that marketing became "the critical mechanism for building, enduring and satisfying the relationships between plastic arts organizations and its target audience", pointing out the problem of transferring marketing concepts directly to the plastic arts sector. The problem lies in the differences between commercial goods and artistic outcomes. Plastic arts marketing does not start from the needs of the market, but is initiated right after the produced outcomes from artists. In this sense, Mokwa, Nakamoto, and Enis (1980, 15) argue that "marketing does not tell an artist how to create a work of art; rather, the role of marketing is to match the artists' creations and interpretations with an appropriate audience".

As the discipline of marketing expands its interest in non-profit plastic arts organizations, plastic arts marketing becomes aware of "a shift in power and authority from producer to consumer" (Rentschler and Wood 2001, 62) while recognizing the need for democratizing plastic arts organizations. Accordingly, marketers needs to develop differentiated strategies for targeting different segments of the audience. In this period, empirical research focused on the motivations and behavior of visitors to cultural institutions by directly adopting the logic of marketing (Andreasen and Belk 1980) and analyzing patronage of the performing plastic arts (Belk and Andreasen 1982).

Since the 1990s, the position of marketing in the plastic arts has been established by creating and disseminating knowledge through higher education programmes, academic

and practitioner conferences and manuals of marketing practice supported by government funds (Lee 2005). The proliferation of research in plastic arts marketing has led the discipline "from marketing as a functional tool to marketing as a business philosophy and strategy" (Boorsma and Chiaravalloti 2010, 298). While plastic arts marketing has cultivated a flourishing field of research, the practical contextual nature of the discipline has also led to a lack of consensus on its boundary and content. The fragmentation of research themes in plastic arts marketing is mainly caused by the possibility of interpreting the term, arts marketing, in different ways. Different connotations of arts marketing result in variations in the direction of research and the subjects of inquiry. With reference to different definitions of plastic arts marketing shown in Table 1, the connotations of plastic arts marketing are re-conceptualized and categorized into three broad perspectives: Marketing of Plastic arts Organizations, *Marketing with Artworks/Artists, and Marketing from the Art World.*

7.8. Marketing of Plastic arts Organizations

The first perspective, Marketing of Plastic arts Organizations, is primarily concerned with cultural institutions applying marketing concepts and principles. It highlights the plastic arts manager's role in executing marketing strategies "to maximize revenue and meet the organization's objectives" (Byrnes 2009, 373). Following practitioner-oriented research by Diggle (1976) and Newman (1977) in the performing arts sector in the 1980s, research based on this perspective focuses on promotional activities of cultural organizations especially for increasing the number of audience members or buyers (Byrnes 2009; Diggle 1994; Hill, O'Sullivan, and O'Sullivan 2003; Kotler and Kotler 2000; Kotler, Kotler, and Kotler 2008). Bradshaw (2010) points out that previous research based on Kotler and Scheff (1997) informs cultural institutions in applying marketing principles, instructing how to perform market segmentation and how to apply quantitative market research tools. Venkatesh and Meamber (2006, 15) call this tendency as "*managerial-orientation*", "marketing principles are applied to advance plastic arts consumption (e.g. segmentation)". Colbert et al. (1994) also emphasizes the importance of segmentation as a marketing strategy in cultural organizations. In other words, plastic arts marketing is deployed as a managerial tool for artists or cultural institutions in order to promote their cultural goods (Kubacki and O'Reilly 2009).

As Rentschler's (2002) analysis highlights plastic arts marketing's maturation in terms of evolving from a functional use of marketing for the plastic arts to integrating the mission of plastic arts organizations with marketing. Colbert et al. (1994, 14) notes that "cultural marketing is the art of reaching those market segments… in contact with a sufficient number of consumers and to reach the objectives consistent with the mission of the cultural enterprise". For instance, to achieve the mission of a museum in the United States, market research should be carried out in terms of geographical, demographic, psychographic and

behavioral dimensions of the audience. This generates "strategic goals" for the museum, deploying marketing tools and tactics such as advertising, promoting, pricing, positioning and branding (Kotler, Kotler, and Kotler 2008, 460). Additionally, social and cultural issues are addressed by analyzing consumers' satisfaction, trust, and commitment to the organization (Garbarino and Johnson 1999).

Thompson (2008; 2014) applied the concept of brands to players in the CAM explicitly. More recently, the application of social network services for museums is explored in connection with relationship marketing (Chung, Marcketti, and Fiore 2014).

Branding in this stream of research is considered one of the marketing tools for increasing the reputation of plastic arts organizations and the number of visitors (Phillips and O'Reilly 2007; Hede 2007; Scott 2007). According to Kotler, Kotler, and Kotler (2008, 139), the purpose of applying branding to a museum is "to amplify the museum's positioning strategy so that it is carried out in all of the museum's decisions and activities". Several studies explore the museum context in relation to branding theory. After introducing the brand equity of museums conceptually (Caldwell, 2000), empirical study is conducted with the purpose of measuring the brand association of a museum with relation to the motivation of viewers (Caldwell and Coshall 2002). They notice that visitors are not aware of it in spite of expecting museums to play a role as a brand, which gives opportunities for museum managers to formulate the brand identity and association of the museum. Camarero, Garrido, and Vicente (2010) examine the determinants of brand equity in a particular art exhibition and compare the views between external and internal visitors. In their later work they introduce the idea of "cultural brand equity" and explore the satisfaction of visitors (Camarero, Garrido-Samaniego, and Vicente 2012). More recently, using a survey, Liu, Liu, and Lin (2013) measured brand equity of a science museum in Taiwan.

7.9. Marketing with Artworks/Artists

The second research perspective, Marketing with Artworks/Artists, stems from critical responses to the limitations of research from the instrumental perspective of *Marketing of Arts Organisations* (Chong 2009; Fillis 2011; Fillis and Rentschler 2005; Hirschman 1983; McCracken 1990). The main criticism for Marketing of Plastic *arts Organisations* is that it hardly explains "museum-goers as culture-bearers, art object as cultural artifacts, and the interaction between consumers and object as a complex social and cultural event" (Venkatesh and Meamber 2006, 14). Bradshaw (2010, 8) insists that this stream of research separates the domain of the plastic arts from the concept of marketing, for it "arguably smuggle[s] a primitive conceptualization of art and marketing as diametrically opposed". Thus, Bradshaw stresses the implications of interaction between the plastic arts and the marketing context. Fillis (2011) also suggests that examining plastic arts as a context would give creative insights to marketing theory. Marketing with Artworks/Artists

embraces the interpretive and aesthetic dimensions of art, "engaging with the marketing content of artistic artefacts and applying the tools and techniques of artistic appreciation to marketing institutions and ephemera such as advertising and promotional campaigns" (Chong 2009, 131). Following Chong's argument, we divide Marketing with Artworks / Artists further into two categories of literature.

The first category of *Marketing with Artworks/Artists* is the application of artistic products and contents to marketing in which organizations consider plastic arts as an instrument of their marketing practice: "plastic arts as a means by which management can enhance organizational value creation capacity and boost business performance" (Schiuma 2011, 1). In other words, this perspective intends to use the characteristics of the plastic arts as the content of marketing. For instance, several companies use the features of art to promote their products. De Beers has used paintings to convey the idea of equating the image of diamonds with the unique image of certain paintings (Epstein, 1982). Since 1986, Absolut Vodka has exposed artistic images in their advertisements by collaborating with contemporary visual artists (Lewis 1996). Louis Vuitton, launched a new design line in partnership with Murakami, a contemporary artist from Japan, for the purpose of intriguing younger customers (Riot et al., 2013).

Several empirical studies in the US adopt an interpretive and aesthetic approach to marketing. Fine arts are used in advertising (Hetsroni and Tukachinsky 2005) while music is a catalyst affecting the purchase intention of customers (Alpert and Alpert 1990). Hagtvedt and Patrick (2008a) report the influence of visual art on marketing in their empirical study. They point out that art creates connotations of luxury and prestige and facilitates cognitive flexibility, positively affecting customers' evaluation of brand extension. Through similar experiments, they reveal that the presence of visual art has a positive effect on the consumers' evaluation of a product (Hagtvedt and Patrick 2008b).

The second category in Marketing with Artworks/Artists includes research contributing to the development of marketing theory via understanding the context of the plastic arts (Bradshaw and Holbrook 2007; Bradshaw, Kerrigan, and Holbrook 2010; Fillis 2004; Fillis and Rentschler 2005; Fillis 2006; Fillis 2009; Fillis 2011; Fillis 2015; Lehman and Wickham 2014). That is, the research in this category explores "what the marketer can learn from the artists" (Fillis 2000, 52). As Brown and Patterson (2000, title page) said, "art and aesthetics are firing the marketing imagination", which is an essential concept of interpretative marketing approaches in the arts. Butler (2000, 345) puts it differently, noting that plastic arts marketing is "knowledge of the marketing concept…focuses directly on the distinctive characteristics of the plastic arts that have implications for marketing decisions and activities".

In the US, historical archives of famous artists provide innovative insights into marketing

theory. For instance, historical documents on Andy Warhol are explored to offer insights into the theory of consumer behavior (Schroeder 1997), capturing the intersection between visual plastic arts and marketing. For instance, Italian Renaissance Art could give insights into inducing consumers' desire for technological innovation (Schroeder and Borgerson 2002). In addition, Schroeder (2006) explains the rationale for studying artists in the management field, based on his study of the American contemporary artist, Thomas Kinkade, reminding the intellectual risks of aestheticizing management.

For Marketing with Artworks /Artists, the context of art is a lively source of innovative insights for branding. For instance, Schroeder (2005) explores the historical context of famous artists such as Andy Warhol, Cindy Sherman and Barbara Kruger, in terms of creating their images and fame, thus treating them as brands. Muñiz, Norris, and Fine (2014) point out that Schroeder's (2005) work is impressive in terms of explaining the theory of branding based on artistic context, but it is not surprising as the artists - who are explored by Schroeder – already engage with consumer culture (e.g., Andy Warhol appropriated the image of commercial brands). They suggest, "Modern artists…can help us understand how a brand achieves cultural resonance and becomes iconic" (Muñiz, Norris and Fine 2014, 83). That is because the data about famous artists are richer than those about a successful brand. Studying biographical data on Pablo Picasso, Muñiz, Norris, and Fine (2014) argue that the development of brands can be understood by tracing Picasso's skills in reading cultural changes and interacting with the intermediaries in the field of art.

7.10. Marketing from the art world

The third perspective, *Marketing from the Art World*, stresses social and contextual approaches to art which overlap in part with *Marketing with Artists/Artworks*. The research from both perspectives contributes to generating fresh insights for marketing theory by examining artistic context and content. While research in Marketing with Artist/Artworks explores creativity, aesthetics, symbolic value and hedonic experiences in arts, research in *Marketing from the Art World* focuses more on the societal level issues of the arts.

The plastic arts are not isolated from society (Alexander 2003) and the market for the plastic arts is built based on the political and sociocultural context of society. Referring to Powell and DiMaggio (1991), Lee (2005, 301) argues that "ongoing social relations and institutions such as trust, networks, norms and beliefs" influence and constrain the market. Marketing from the Art World, therefore, focuses on social mechanisms for generating the arts, symbolic meaning of the arts and networks and processes of legitimizing artists/ artworks. For this perspective, the aim of marketing is associated with the ways of increasing potential artistic value which requires an understanding of the way in which the value is spread to the society (Botti 2000).

Marketing from the Art World is inspired by sociological interpretations of the plastic arts market (Becker 1982; Danto 1964; Bourdieu 1993; Bain 2005; Baumann 2007). Indeed, Danto (1964) introduced the notion of art world (Yanal 1998). He suggests that applicable rationales in art theory and history may serve to identify an object as a work of art and these rationales should supersede judgements based upon the beauty or appearance of the artwork (Danto 1964). The Art world is also discussed by Dickie (1974) in the sense that it operates "both as a gatekeeper and as an attributor of value" (MacNeill and Wilson-Anastasios 2014, 296).

In sociology, Becker (1984) addresses the production of the cultural approach to art with the art world. Becker (1984, X) denotes the term art world as the network of people whose cooperative activity, organized via their joint knowledge of conventional means of doing things, produces the kind of art works that art world is noted for.

In Becker's art world, the artist is not the sole contributor in producing the value of artworks, but the endorsements in the whole system/network also contribute to providing artworks to society. As there is a holistic structure of social networks regarding the production, distribution, and consumption of artworks in society, the value of artworks is determined by the consensus between players in the network.

Becker's *art world* corresponds to Bourdieu's (1996) concept of *the field of art*. *Both art world* and the field of art refer to the properties of social structure underlying the realm of art practice. An artist, in their view, is not isolated from the society. Bourdieu (1993) argues that insiders in *the field of art* contribute to constituting the ideology of plastic arts and acknowledges that the ideology enables the legitimacy of artworks. With regards to the difference between these two seminal authors, Bourdieu theorizes the connection between the field of art and the wider social structure whilst Becker does not explicitly argue for such a connection with "severing art worlds from the society in which they are embedded" (Alexander 2003, 295). While Becker's concept of art world highlights the cooperative network without addressing the issue of power conflict, in Bourdieu's t*he field of art*, the value of artworks is essentially constructed by the agents' struggles for power positions and their social legitimacy.

In the context of general product markets, scholars consider a brand as a repository of meaning and the meaning is collectively constructed in society (Fournier 1998; Holt 2004; McCracken 1993; Kornberger 2010; Hatch and Rubin 2006). A group of researchers studied branding in the plastic arts market from a socio-cultural perspective (Hewer, Brownlie, and Kerrigan 2013; Kerrigan et al. 2011; Muñiz, Norris, and Fine 2014; Preece and Kerrigan 2015; Rodner and Kerrigan 2014; Rodner and Preece 2015). They address how brands are posited in society, considering brands (artists) as a symbol and branding as the process of generating symbolic meaning for the brand in society. While

acknowledging the limitations of applying the logics of branding, devised for controlling brands in a private company, the socio-cultural perspective on branding provides a useful lens to analyses the plastic arts market (Preece and Kerrigan 2015). Following Bourdieu's theory of cultural, social and symbolic capitals, Rodner and Kerrigan (2014, 113) argue that the symbolic meaning of artist brands is collectively constructed by agents in the art world and the agents "utilize their cultural and social capital as a means of validating and positioning artists within the market".

7.11. Current trends in the contemporary art market

Brands in the Contemporary Art Market (CAM)

As both individuals and cultural institutions can be considered brands (Thompson 2008), brands noticeably pertain to the CAM: "perhaps in no other market is the relationship between name recognition, value and branding so clear" (Schroeder 2005, 1300). Scholars have agreed that famous artists might be considered as brands (Hewer et al., 2013; Kerrigan et al., 2011; Muniz et al., 2014; Schroeder, 2005, 2010; Thompson, 2009). For example, works of famous artists, such as Picasso, Van Gogh, Rembrandt, and Caravaggio, have led the fine art market. The phenomenon of artists as global brands has been intensified in the CAM (Schroeder, 2005) as illustrated by the cases of Andy Warhol and Damien Hirst (Lehman, 2009).

Secondly, cultural institutions are also regarded as brands. Visitors to museums and galleries have many choices, resulting in competition between cultural institutions. These institutions have considered various ways in which they can attract more visitors by building their brand image. For example, certain museums have successfully established their brand value in the global market, such as MOMA (Camarero, Garrido-Samaniego, and Vicente 2012), TATE (Phillips and O'Reilly 2007; Ridge 2006), and Guggenheim (Caldwell, 2000; Chong, 2009).

Thirdly, renowned collectors are also considered a brand in the CAM. Charles Saatchi, a former advertising mogul, exemplifies the branded collector. Saatchi is a major player in the CAM (Freeland 2001), embodying multiple roles as dealer, gallerist, and collector. Saatchi's significant influence on the market is demonstrated in establishing the Young British Artists. Muñiz, Norris, and Fine (2014, 74) note that Saatchi's purchase of artworks can give "strong prestige" to artists. Thus, the branded collector's acquisitions of contemporary plastic arts provide an indirect hallmark (brand) for the public.

The Emergence of New Intermediaries: Art Fairs and Digital Platforms

In the CAM, the most remarkable change is the growing importance of new intermediaries

such as art fairs and digital platforms. The market has witnessed the establishment of art fairs and the expansion of online platforms for the last decade. Both of these two intermediaries are considered symbols of cultural globalization (Velthuis 2014). Globalization provides not only opportunities for actors in the CAM, but it also presents risks for the traditional players in the market. On the one hand, the growing demand in developing countries allows dealers, museums, auction houses, and art fairs to seek new opportunities for opening satellite spaces in each country. In addition, with the increasing accessibility in using the Internet, collectors are able to buy works of art without territorial constraints, which gives a chance for artists and cultural institutions to reach global audiences. On the other hand, globalization puts financial and organizational pressures on dealers, galleries and auction houses in coping with larger scale and scope of operations. A massive volume of temporary demand for artists would also negatively impact the quality of their works.

The rapid expansion of art fairs and digital platforms is underpinned by the increasing globalization of the CAM. First, art fairs have become established as a significant ancillary channel for distribution in the plastic arts market. The temporal events for dealing in fine plastic arts or antiques are held in different host cities at different periods, which means that the art fair is held globally in an entire year. Therefore, we can say that we are currently in "[t]he art fair age" (Barragán 2008) or the "art fair phenomenon" (Dalley 2013). The following figures specify the influence of art fairs on the entire art market: according to the annual report by TEFAF (McAndrew 2015), over 180 major art fairs, covering either fine plastic arts or decorative works, took place in 2014 in which sales of works of art recorded around $12 billon. Moreover, dealers have achieved more than thirty percent of their annual sales by attending various art fairs.

Secondly, the growing popularity of digital platforms has had a significant influence on the field of visual arts, including virtual curation and the consumption of art. While echoing the increase in visitors' demands, cultural institutions have confronted the issue of digitalization of their own artworks (Marty 2008; Russo and Watkins 2007). Moreover, every actor in the plastic arts market can have their own homepage for presenting their artwork, in the case of artists, and their artists, in the case of dealers. By doing so, artists and dealers meet more consumers. However, the emergence of online trading in this area has developed more slowly than other fields as it requires "proximity and physical, tactile interactions" between consumers and works of art (Velthuis and Curioni 2015, 18). Nevertheless, the CAM continues to show a steep growth in the online sales of visual works of art: estimated online sales were $1.57 billion or 1.6 percent of the entire art market for 2013. With an annual growth rate of nineteen percent, online sales will reach $3.76 billion by 2018 (Hiscox 2014).

The Uncertain Value of Contemporary Arts

We previously demonstrated the notable trend of being brands in the CAM. The issue of disproportionate branding effect in the CAM originates from the uncertain value of artworks (Alexander and Bowler 2014; Yogev 2010; Zorloni 2013; Jyrämä and Äyväri 2010; Peterson 1997; Hirsch 1972; Wijnberg and Gemser 2000). Although the economic value of artworks is partly influenced by the inherent features of the artworks, such as the "style, medium, technique, size, and content" (Yogev 2010, 512), one cannot rely upon any objective or moral standard (Pénet and Lee 2014). Unlike material goods, according to Peterson (1997), the value of visual art cannot be calculated by the expenditure of raw material used in making it such as canvas, paints, brush, or the artists' working force.

With regard to the consumption of arts, there are two types of consumers: buyers and audience. To appreciate the confronted artwork properly (especially conceptual works), the audience need to acquire knowledge about artworks which is often delivered by intermediaries in the market. As with other credence goods (Darby and Karni 1973), buyers also need to have additional information for judging the quality of artworks even after purchasing them. Thus, the act of buying an artwork means not only the ownership of it, but also "buying into [traders'] reputation, taste, and understanding of the market" (Robertson 2005, 24). In addition, in the production side of the market, artists heavily rely on other actors' activities in the distribution system of the market; Giuffre (1999), notes that artists inevitably need galleries for generating publicity and making profits.

The uncertain value of visual art contributes to the constitution of a unique market structure in which the role of third-party players is highlighted. Therefore, we point out that examining the valuation issue in the CAM is pertinent to understanding the holistic structure of the market. The question that follows is why valuation is more important in the CAM than in other art markets. The answer to this question is associated with the fluidity in the market.

The Fluidity of the Valuation Structure in the Plastic arts Market

The organization of the art world is in a state of flux. Based on the theory of field by Bourdieu (1984), Giuffre (1999, 830) insists that players in the plastic arts market move in a way to "reposition themselves relative to each other", which leads to a continuously changing structure of the market. We point out two noteworthy issues regarding the reason for this dynamic in the plastic arts market: breaking conventions and the emergence of new intermediaries. First, some artists tend to produce artworks conforming to a dominant artistic style – convention (in Becker 1974) – whereas other innovative artists challenge the dominant style. Butler (2000, 355) further argues that artists are unwilling to follow others because "[i]n the plastic arts world, artists feel they must shun the notion of following, and

produce or perform out of their own commitment to their field".

According to Becker (1982), artists who intend to break existing conventions find it harder to circulate their artworks whilst they might have more freedom in producing their works. Once artists present a new style of artworks, the members of the art world might or might not contribute to accepting or denying these artworks. Although the activities of breaking convention by some artists are not always rewarded, the success of an endorsement "gives a raison d'être to the rest" (Thornton 2008, XV). Then, the group of artists producing artworks within an accepted artistic style are recognized and labelled by critics who give a rationale for occupying a certain position in art history.

In the CAM, artists intentionally stress the concept of their work rather than its beauty. Danto (1997) argues that the shift from the appearance of artworks to their ideas marks the current era. Similarly, Peterson (1997, 244) points out that artists in this era keep questioning "artistic value and authorship central to the subject matter of their works", which makes valuation in the market more problematic. As contemporary artists keep breaking conventions, it is a challenge for the public to appreciate their works of art and for art professionals to value them. Therefore, the structure of valuation would also have to change in order to judge a new style or form of contemporary art.

Secondly, new types of institutions affecting the valuation system in the plastic arts market have emerged due to globalization (Velthuis 2012). The last two decades have witnessed the gradual expansion of sales in the CAM by means of digital platforms and plastic arts fairs. More importantly, along with biennales, the gatekeeping role of plastic arts fairs in terms of selection procedure has become conspicuous (Curioni, Forti, and Leone 2015). The record of participating in such events (especially biennale) is "often regarded within [the arts] industry as conferring a seal of approval on an artist's works" (Rodner, Omar, and Thomson 2011, 324). On the other hand, increasing online transactions of visual artworks have significant influence upon altering the structure of the market, not only disturbing the traditional plastic arts market but also engaging with it (Khaire 2015). Therefore, art fairs and digital platforms as new intermediaries contribute to altering the original structure of valuation by legitimating artworks in the CAM (Lee and Lee 2016).

Echoing Fillis (2011), the academic literature on plastic arts marketing has evolved from its basis of applying marketing theory to cultural institutions to capturing innovative lessons for marketing theory by exploring the artistic context. Scholars in the US have contributed to such development by offering invaluable and creative insights to the marketing context. Brands have become more important for judging the quality of contemporary artworks rather than the content of artworks per se in the market. Therefore, questions such as who made it, who deals it, who previously possessed it, and where it was displayed add to the value of the artwork. Branded actors "confer a guarantee on artworks, giving consumers a

sense of security and sustainability in a market that is constantly in flux" (Rodner, Omar, and Thomson 2011, 320). Most notably Schroeder (2010; 2005) and Thompson (2014; 2008) have pioneered a new direction of plastic arts marketing research in propagating the importance of branding in the CAM. However, a more careful scrutiny of new trends in the CAM is warranted for further developing the academic field of plastic arts marketing. The key trends in the CAM, consideration of reputable people/institutions as brands and the rising importance of art fairs and digital platforms, can be explored in each of the three perspectives we have categorized in this paper. The focus of research in Marketing of Plastic arts Organizations is on the application of branding as one of the marketing tools for individual brands in the CAM. When the brand is a person, for instance, maximizing the exposures of the brand to the public, namely personal branding (Montoya 2002), might be a suitable approach to analyze the phenomenon of being a brand in the CAM. In Marketing with Artworks/Artists, the discovery of lessons for branding is the main objective for researchers in exploring artistic practice (Schroeder 2005). Although both perspectives contribute to the development of plastic arts marketing, their approaches to the CAM hardly provide a systematic account of the following issues. Why the market considers particular people/institutions as brands; what is the meaning of brands in the CAM and why brands become important in the CAM; how art fairs and digital platforms become new intermediaries and how they change the hierarchical structure in the field of arts. In this paper, we insist that these questions can be explored more fruitfully from the perspective of *Marketing from the Art World*.

The complex and fluid valuation structure in the CAM driven by the uncertain value of contemporary plastic arts and the repositioning of inner members in the art world are the compelling research items to be explored at the societal level. Therefore, we argue that scholars in plastic arts marketing need to build on the sociological perspective of *Marketing from the Art World* in exploring branded institutions or people (artists, museums or collectors) in the CAM. Since the necessity of brands originates from the uncertain value of arts, the symbolic value of contemporary artworks, rather than their functional features, is highlighted and the value is collectively constructed or bestowed in the art world.

However, our assessment of the current literature on *Marketing from the Art World*, led by some European scholars (Kerrigan et al. 2011; Hewer, Brownlie, and Kerrigan 2013; Rodner and Preece 2015; Rodner and Kerrigan 2014) is that it has not explicitly addressed the power relationships between players or agents in the art world. As the role of intermediaries in establishing the value of artworks in the plastic arts market is conspicuous, it is obvious to see their struggles for power (Bourdieu 1996) or collective actions (Becker 1982). In particular, in the CAM, the explosion of autonomous or independent artists (Heinich 2012) highlights the growing need to gain legitimacy of their creations in the art world. As the value of their works has not yet been approved, there

needs to be a collective endorsement by several intermediaries. In this sense, exploring young/emerging artists provides a way to deepen the understanding of the CAM (Lee and Lee 2016). Some scholars have shifted their attention from famous artists (Muñiz, Norris, and Fine 2014; Schroeder 1997, 2005) to young/emerging artists (Lehman and Wickham 2014; O'Reilly 2005; Preece and Kerrigan 2015; Rodner and Preece 2015). Future research could investigate the process by which young/emerging artists' works are valued in the market and how they struggle against the inequality of power in such a process.

New intermediaries such as digital platforms and plastic arts fairs have significant effects upon the dynamics of the CAM, transforming mechanisms of the existing valuation system. Thus, traditional market intermediaries should figure out how to respond to the new players in order to keep their influence on the valuing process. Although several scholars have studied art fairs (Thompson 2011; Yogev and Grund 2012), researchers in plastic arts marketing could pay more attention to these new players and emerging trends. In particular, future research could investigate how art fairs function as a medium for constituting the art world (Curioni 2014; Curioni, Forti, and Leone 2015; Garutti 2014; Schultheis 2015) and how digital platforms intermediate the relationship between artists and buyers (Khaire 2015).

Three perspectives on plastic arts marketing and their implications for brandin

Perspectives	Logics	Implications for branding
Marketing of Plastic arts Organizations • Instrumental • Commercial	Applying marketing models to artists or art organization	Branding is one of marketing tools for increasing the reputation of organizations or artists
Marketing with Artworks/ Artists • Interpretive • Aesthetic	Using the characteristic of arts	Branding uses aesthetic in

Marketing from the Art World	Considering the context of arts as a source of marketing ideas	Branding learns from Artistic practice.
- Social - Contextual	Highlighting the social mechanisms for yielding the symbolic meaning of the arts, and the process of legitimizing artists and artworks	Branding is underpinned by the social network of diffusing the value of Artworks.

7.12. Art gallery management: contemporary trends and issues

Literature on *the management of particular art institutions and management disciplines* is more specific and practice-orientated. Several topics within the field of management theory are addressed. In particular, the sponsorship and marketing of cultural institutions are disciplines frequently observed by researchers cf. Benkert (1995), Bortoluzzi Dubach (2007), Bruhn (1989), D. Heinze (2003), T. Heinze (2008), Klein, (2005), Günter & Hausmann (2009), Hausmann (2005, 2009), John & Günter (2007), Höhne (2006, 2009) and Mandel (2009). Researchers have taken a keen interest in these two topics because sponsorship (i.e. generating money) and marketing (communication of services) have been identified by practitioners as the two most relevant factors in the successful operation of their businesses. Additionally, customer orientation is a new topic that has attracted some recent publications, including Hausmann (2010) and Rossberg (2007). Again, these business topics are academically analysed only in the context of art museums, theatres, operas and orchestras, cf. Jochum & Schmid-Reiter (2006), Rohde (2007), Hausmann (2001), Theede (2007), Wall (2006). There is as yet no management literature for art galleries. Indeed, only Kirps & Fesel (2001) briefly address management-related issues on art galleries.

The art market has been subject to a number of observations in recent years. These differ from the literature on art management since books on the art market are mostly practitioners' accounts. Most authors position their books as "background reports", rather than analytical and academically sound observations. These books present key players in the market (Boll, 2009), explain the structure of the market (Dossi, 2007), depict stories of famous collectors or artists (Lindemann, 2006; Polsky, 2003), highlight how prices are built (Thompson, 2008), give advice on how to collect and value art (Leyer Pritzkow, 2006) or just reproduce wisdoms of the art world (Thornton, 2006). Whilst of little value

to practitioners, these books certainly increase transparency for the general reader. Interestingly, only Robertson (2005, 2008) started to analytically observe players in the art markets and identify their roles and positions.

While literature on art-related topics may help to understand the art dimension in the art gallery context, literature related to the business aspects will add specific business knowledge. The concept of business modelling is of primary importance, although it has only recently found its way into the discussion of strategic management, for example in Amit & Zott (2010), Bieger et al. (2001), Chesbrough (2010), Chesbrough & Rosenbloom (2002), Treacy and Wiersema's (1995), Nehls & Baumgartner (2000), Wölfe (2000), Teece (2010), Tomczak et al. (1999), Rüegg-Stürm (2000) and Linder & Cantrell (2000). The speed of change seen in business models across different industries has sparked a lot of interest in the whole concept of business models. It has become increasingly difficult to attach the success of a company to a single product or business unit. Instead, the success of a company might lie in its set-up of network partners, forming a symbiosis along the value chain. Following this development, common strategic models are insufficient to explain the success of a company. In fact, managers are no longer merely concerned with determining a strategy or program for a company's product, but rather with establishing business systems within a network (Bieger & Agosti, 2005). On the basis of these developments, several business model definitions will be compared to analyse the ways in which a company creates value in the market, cf. Bieger et al. (2002), Hedman & Kalling (2003), Morris et al. (2005), Osterwalder, Pigneur & Tucci (2005), Shafer, Smith & Linder, (2005) and Stähler (2002). Baden-Fuller and Morgan (2010) highlight that business models help us to classify our world and expand our understanding of business (Baden-Fuller & Morgan, 2010). The business model concept will therefore be useful as a tool to analyze and compare management practices in art galleries.

While discussing the business model, another topic from the field of strategic management literature will be addressed: success factor research. One of the founders of this research area defines success factors as follows: "Critical success factors thus are, for any business, the limited number of areas in which results, if they are satisfactory, will ensure successful competitive performance for the organization. They are the few key areas where 'things must go right' for the business to flourish" (Rockart, 1979, p. 85).

Since its emergence in research through the PIMS study (1970), success factor research has been subject to an extensive discussion on its relevance, cf. Aeberhard, Scheller & Bachmann (1996), Krüger & Schwarz (1997), Göttgens (1996) Nicolai & Kieser (2002a,b, 2004), Fritz (2004), Homburg & Krohmer (2004), Ghemawat (1991) and Woywode (2004). On the one hand there are various theories supporting success factor research, namely studies by Peters & Waterman (2004), Simon (2007) and Kim & Mauborgne (2004). On the other, critics claim that the search for success factors is hard, if not impossible:

"But the whole idea of identifying a success factor and then chasing it seems to have something in common with the ill-considered medieval hunt for the philosopher's stone, a substance that would transmute everything it touched into gold" (Ghematwat, 1991, p. 11). Success factor research is relevant for this dissertation project since our research objectives include the identification of those factors that have the least/most impact on art galleries' performance.

7.13. Gap in scholarly literature on art gallery management and business model

In the literature mentioned above, various research gaps are identified that serve as a basis for this dissertation.

Firstly, in the field of *art-related* literature there is a general lack of scholarly literature and descriptive statistics on art galleries. As yet, no researcher has focused specifically on art galleries. While Bendixen (2001), Heinrichs (1999), Klein (2004) and others declare some business recommendations for art institutions (particularly non-profit), they have left out specific and sustainable approaches for art galleries.

This lack of literature is also manifested in the fact that data on art galleries is both in very short supply, and outdated. Furthermore, the few official data reports that are available do not separate art gallery data from other fields, combining art gallery statistics with data on dealing in stamps, coins, gift articles and so on (BMWI, 2009a). Researchers in Austria, Switzerland and Germany therefore claim, "Official statistics only deliver very limited insights. Therefore, in order to analyze and interpret existing statistical data researchers must make use of estimates" (ICG Culturplan & STADTart Planungs-Beratungsbüro, 2006, p. 42). Mc Andrew (2010) claims that the gallery market "is one of the most difficult to measure and quantify, as there are little or no published records to indicate the total level of sales as exists in the auction sector. Comprehensive global data on this sector of the market is therefore more limited, and depends to a large extent on surveys" (p. 33).

Other researchers target the lack of management in art galleries: Stefan Shaw (2002) claims that galleries will only hold their position as intermediary between artists and client: "if current challenges are considered as chances. Galleries must transfer from an art-centred business to a client-focused enterprise" (Shaw, 2002, p. 349). Others lobby for increased professionalism in the gallery business. As far back as 1967, Willi Bongard wrote that the amateurishness in conducting art gallery business must change immediately. He describes the art market as: "the most antiquated and immobile business that one could think of. Galleries apply medieval – not to say Stone Age – distribution and marketing methods, that ridicule modern retail industry and marketing practices.

The dilettantism that galleries apply defies any description" (Bongard, 1965). Famous publisher Karlheinz Schmid claims that art gallery owners have a lack of business education: "Errors, weaknesses, helplessness, embarrassments" (Schmid, 2007, p. 104). Heinze (2008) adds: "The institutionalization of cultural management that started in the late eighties results from the fact that limited public financial power fostered the development of professionalism and business principles in the arts" (p. 9). Mandel (2007) concludes: "Despite innovative and artistically highly regarded offerings, the revenue of cultural enterprises is still very small. Often there is a lack of entrepreneurial and business thinking to become economically successful. Currently, cultural entrepreneurs think of themselves only as creative forces, and not as managers who need to position their services at an appropriate price on the market" (p. 10).

What's more, various researchers from the field of art management doubt if management principles can be directly transferred to the art industry. Fuchs (1993) questions: "How objective are management principles and to what extent can they be transferred to the cultural sector?" (p. 13). Others go one step further and even argue: "Some economists opine that their tool-set can be universally applied. However, this view disagrees with basic principles that successful managers in the art business apply" (Wyrwoll, 1994, p. 289).

Secondly, in the field of *business-related* literature there is still a clear trend towards analysing the relevance of the business model concept. In a very recent article Baden-Fuller & Morgan (2010) ask the question: "Are business models useful?", and went on to focus researchers' interest on the idea of analyzing the actual business model itself to answer this question (p. 156). They emphasize the importance of further research in this area because "when we do so, we can see how this analysis of business models as models challenges the idea and ideal of any single, or fixed, taxonomy or typology of business models" (p. 167). Identifying business models and classifying them will therefore be fruitful to the general discussion.

Moreover, researchers want to test the business model concept in practice. In particular, Bieger et al. (2002) highlight the interest of the scientific community in the question of business model design, and how far its components must align with each other. "An interesting research focus derives from the question which configuration in reference to the arrangement of the business model dimensions are compatible and how this arrangement influences the economic performance" (p. 58). Furthermore, Magretta (2002) and Müller-Stewens & Fontin (2003) argue in favour of a continuation in the discussion of the business model concept. They underline the importance of the configuration of a single dimension in the business model according to the overall strategic direction. For example, if the revenue model and service model are not aligned, negative interdependencies can occur. Gemünden & Schulz (2003) refer to these interdependencies: "We formulate the following

question to describe the interdependencies within the business model concept: Which interdependencies exist and how do they impact the business model configuration?" (p. 170).

Finally, the field of success factor research presents another research gap. Critics question the relevance and quality of the derived results and doubt if the identified success factors have any impact. This dissertation will contribute to the current debate on the rigour and relevance of success factor research. Kieser & Nicolai (2005) support this by saying: "Success factor research is deemed to be an exemplary approach to realigning rigour and relevance" (p. 12). The following table summarizes the identified research gaps.

Gap in research literature

Research Area		Identified Research Gap	Authors and Publications
	Art management	No academic literature on art galleries	Bendixen (2001), Heinrichs (1999), Klein (2005)
Management of particular art institutions and management disciplines		No statistics on art galleries	BMWI, (2009 & 2009a), ICG Culturplan & STADTart Planungs-Beratungsbüro, (2006) Weckerle (2008), Mc Andrew (2010)
	Art market	Customer orientation of art galleries	Shaw (2002)
		Management and professionalism of art galleries	Bongard (1967), Schmid (2007), Mandel (2007), Heinze (2008)
		Applicability of business concepts to art industry	Wyrwoll (1994), (Fuchs, 1993)
	Business model	Usefulness of business models Configuration / interdependency of dimensions	Baden-Fuller & Morgan (2010) Bieger (2002) Gemünden & Scholz (2003)

| | Success factor | Rigour and relevance of identified success factors | Kieser & Nicolai (2005) |

7.14. Structure of the Art Market

The above list summarizes all goods that are dealt on the art market. The se goods are traded on four different trading levels: primary, secondary, and tertiary and – as in most other markets – the illicit trade (Singer & Lynch, 1994). Since this research is set in the context of art galleries, it is appropriate to narrow down the art market to one category that is relevant for the research context observed in this dissertation. This category is "Painting, Drawings & Sculpture". The main temporal sectors within this category are divided into Old Masters, 19th Century Art, Modern Art, Post-War Art and Contemporary Art. Artprice.com defines the sectors as follows: Old Masters start with Giotto and end with the early nineteenth century (Constable). 19th Century Art can be defined by its time period, excluding all Modern Art. Modern Art starts with the Impressionists and ends at the beginning of the Second World War. Post-War Art is defined by artists born between 1920 and 1944.

Contemporary Art describes artworks by artists born after 1945. In the following these sectors will be addressed by the term Fine Art. It is worth saying at this stage that the Fine Art sectors and the dates that separate one sector from another are often subjective and loosely interpreted.

The primary market for Fine Art deals with work that is on the open market for the first time. Unorganized individual artists with little market power provide works to galleries or exhibitions. This market is highly decentralized (Throsby, 1994). An artist's work at this stage has not been bought or sold before. Prices develop over time and are usually not transparent to the wider public. In this market dealers and brokers operate on small margins with little or no stock (Thompson, 2008).

The secondary market describes the second layer of the market. When a work is sold there is a chance that it will eventually reappear on the market. Artists dealt with in this market are either in their late middle age (Contemporary), dead (Post-War, Modern) or long dead (19th Century, Old Master) (Throsby, 1994). Particularly, today's fast moving cutting-edge Contemporary market changed the constitution of the secondary market in the Fine Art sector: young artists, with an unpredictable longer-term significance, are dealt with and show heavy price jumps with huge volatility. In this market the key players are established galleries with huge funds and stocks.

Very closely linked to the secondary market is the tertiary or auction market. This market

is usually located in significant cities where art is traded and works are circulated. Main players here are auction houses (Throsby, 1994). Since both secondary and tertiary markets often interact, for example when a dealer offers a work at auction and buys from an auction to resell to a client, it can be argued that they have become indistinguishable from each other (Boll, 200). Hence, for the rest of this paper we will refer to both as the secondary market.

Competition factors vary between the primary and secondary trading levels. In the primary market competition is widespread because there is an oversupply of artists compared to potential buyers. Hence, prices are generally low. Throsby (1994) argues that artists in the primary market do not exert any supply-side power and are unable to restrict competition or raise prices (p. 5). The secondary market, in contrast, is more concentrated on both the buying and selling side. Few artists are successful enough to appear on the secondary market and there is a smaller number of potential buyers, since large resources are required to be active here (Throsby, 1994, p.5). Hence, key players in the market can exert great power on the rise and fall of an artist and manipulate future price expectations (Singer & Leslie, 1981).

Narrowing down the entire market with fifteen categories to only the Fine Art market allows a more in-depth analysis of its composition. Data can be drawn from rich auction results in the past for our identified temporal sectors: Old Masters, 19th Century Art, Modern Art, Post-War Art and Contemporary Art.

7.15. Players in the Market

The art market is host to several players who are active in the market. In general, players engage in the field between two poles: the artists on one side, the collector on the other (Schiefer, 1998). Every player between these two poles acts as intermediary. Intermediaries can be divided into two groups – commercial art mediators and conceptual art mediators (Boll, 2009). Commercial art mediators engage in the transaction of art, either as intermediary between demand (collector) and supply (artists), or as a reference person for either side (for example, acting for an artist wanting to sell some work directly, or a client wishing to return a work). Conceptual art mediators engage in the transfer of knowledge, trying to convey the message of art to the public. As we will see later, this gives them a powerful impact on the art market.

As discussed above, players interact on two trading levels: the primary and secondary market (Robertson, 2005). The primary market deals with work that is on the market for the first time. All players are involved: the artist who produces the artwork; the commercial art mediator (dealer) who finds the collector to buy the work; the conceptual art mediator (critic) who writes about exhibitions in the gallery or museum; and the collector who buys

the work. The primary market involves the highest risk for both dealer and client, since there is little information available about the works. Dealers usually have exclusive rights to an artist's output but contracts (if existent) are generally limited in terms of geography and duration. In a framework similar to an oligopolistic market, these actors collaborate closely and agree on prices (Zorloni, 2005).

In the secondary market every player but the artist is involved (R obertson, 2005). The commercial art mediator (dealer or auction house) who is being offered a work by a famous artist and resells the artwork; the conceptual mediator (museum) who exhibits an artist who has reached highest prices in the latest auction; and the collector who buys t e artwork. Thompson (2008) argues that the Damien Hirst auction at Sotheby's in September 2008 showed for the first time that the secondary market may be enlarged in the future and will incorporate artists as well. Hirst was the first artist to deliver a huge number of artworks (223) directly to an auction house, bypassing all intermediaries such as agents and galleries. In contrast to the primary market, actors participating in the secondary market are usually well informed about the value of artworks. Hence, this market is much more predictable and entails less risk.

7.16. Commercial Art Mediators

7.16.1. Auction House

The auction house's principal role is "to identify, evaluate and appraise works of art through its international staff of specialists, to stimulate purchasers' interest through professional marketing techniques, and to match sellers and buyers through the auction process" (Sotheby's, 2009, p. 2). In this sense, the auction houses have taken the monopoly away from the tastemakers and experts and developed to become the main authority in dictating fashion and trends (Zorloni, 2005). Over the past years auction houses have also taken up an important anchoring function in the art market. Since prices paid for an artwork are publicly available, auction prices serve as a guide to and indication of an artist's value and bring transparency to the market. These advantages, however, come with certain risks: researchers have found that artwork auctioneers at Christie's and Sotheby's reach higher average hammer prices than their competitors (Renneboog Van Houtte, 2002). Additionally, the image of an artist can be completely distorted due to price volatility and other outside factors. Finally, the owner cannot be selected (Hutter, Knebel, Pietzner, & Schäfer, 2007).

The auction house deals with a wide variety of items, including Fine Art, decorative art, antiques, jewelry and collectibles. (For a summary of categories and sectors please refer to section 2.3.1.) Objects auctioned by the auction house are usually unique and valuable. Auction houses' revenue derives from their position as intermediary between seller and

buyer. They sell property as agent of the consignor, earning commission from both sides: the buyer for the property purchased (buyer's premium) and the seller ("seller's commission"). Both buyer's premium and seller's commission represent a proportion of the hammer price of the auctioned item. This form of income is the major item in any auction house's consolidated revenue statement. For example, at Sotheby's commission revenue in 2008, 2007 and 2006 accounted for 91%, 83%, and 83% respectively of Sotheby's consolidated revenue (Sotheby's, 2009).

In order to increase their turnover and attract new customers, auction houses occasionally guarantee a minimum price (an "auction guarantee"). When the artwork sells for less than the minimum guaranteed price, the auction house must fund the gap between the hammer price and the amount they guaranteed to the seller. If an item does not sell, the auction house guarantees to pay the full amount of the auction guarantee but reserves the right to sell the item in return. In some cases, auction houses work together with partner firms in order to reduce the financial risk under auction guarantees. Partners may also assist the auction house, for example in promoting or estimating the property to be auctioned (Sotheby's, 2009, p. 2).

The business of auction houses has changed over the past thirty years as consequence of a different customer group: while the main auction house clients before the 1970s were art dealers, today, since auction houses have started to publish estimate ranges for each piece, retail customers now play a prominent role in auctions. This practice reduced information asymmetry and helped inexperienced retail customers to participate in auctions (Mei & Moses, 2002, p. 2411). Furthermore, auction houses started to engage in a number of related activities, including financing and dealing (Dossi, 2007). The finance segment of an auction house provides selected collectors and dealers with financing. Generally, securities for loans are works of art that the auction house either has in its possession or permits the borrower to possess (Sotheby's, 2009). The dealer segment acts like the secondary market activity of art galleries. It sells works directly to buyers (such as private collectors and museums) or serves as intermediary in private purchases (Sotheby's, 2009). As auction houses increasingly foster this segment, some have started to overtake existing brokers.

Competition on the auction market is severe, since any owner of an artwork has four options: sale or consignment to, or private sale by, (1) an art dealer, (2) an auction house, (3) a museum or (4) a sale through an internet-based platform (Sotheby's, 2009). Consequently, there have been a lot of very recent mergers in the auction market. Bonhams has acquired Phillips UK and Butterfields, the West Coast American auction house. In 2002, Bernard Arnault, CEO of Louis Vuitton, Moet Hennessy (LVMH), sold his stake in Phillips, de Pury and Luxembourg to Simon de Pury and Daniella Luxembourg. Daniella Luxembourg then left the partnership and established a gallery in Switzerland

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(Thompson, 2008). In October 2008, Russian luxury retail company Mercury Group acquired the majority share in the former number three auction house worldwide, Phillips (Varoli, 2008). Today, Phillips is a small specialist auctioneer with offices in New York, London, Geneva, Paris, Munich and Berlin. Christie's, one of the two leading auction houses in the world, also went through troubled waters lately (Thompson, 2008). In 1998, Francois Pinault, head of Pinault-Printemps-Redoute, bought Christie's and took it into private ownership. According to the press articles (Walsh, 2008), Pinault has since considered selling the auction house again.

The structure of the auction market is highly concentrated on the two leading auction houses. For the Fine Art sector the two largest auction houses, Christie's and Sotheby's, generated auction sales turnover in 2008 of $2.9 billion and $3.3 billion respectively. Together the two auction houses generated 73% of global Fine Art auction revenue from only 16% of global transactions (Artprice.com, 2009). Together the two houses accounted in 2008 for more than 87% of the ultra top end of the market (929 of the 1,064 sales above the million-dollar mark were auctioned at one or the other) (Artprice.com, 2009). Both auction houses are represented worldwide, Christie's with 57 offices in 32 countries and salerooms in major cities around the world, and Sotheby's with more than 100 offices around the world with approximately 1,555 employees (Sotheby's, 2010; Christie's, 2010). The top 67 auction sales in 2008 were generated at Christie's or Sotheby's, and the gap to the next auction house is wide. Only at position 68 do we see Phillips de Pury. Furthermore, the three next largest auction houses (beta auction houses Phillips de Pury, Bonhams and China Guardian) accounted only for a combined 10% share in the Fine Art auction market (Mc Andrew, 2010).

7.16.2. Art Galleries

Art galleries serve as gatekeepers to the world of Contemporary Art, determining which artist will be shown and who will not (Thompson, 2008). Their job is to organise the show and promote the artists with collectors, art writers and museum curators (Schiefer, 1998). Gallerists5 can be described as service providers whose job is to "select, interpret, educate and signal with the aim of generating the belief that the appreciation of a particular set of new artworks is constantly rising" (Hutter et al., 2007, p. 249).

Galleries organise in their gallery spaces regular exhibitions, which are open to the public. All exhibited works can be purchased; in some cases galleries also rent out some works. Each gallery represents between 5 and 25 artists who might be shown in a single or a group show. In order to deal with high costs of opening a gallery and an inital period of negative cash flow, gallerist seek the patronage of a wealthy individual (Seegers, 2001). According to Seegers (2001) and Thompson (2008) it is conventional wisdom in the art industry that four out of five new Contemporary Art galleries fail within five years. Ten per

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cent of galleries established for more than five years also close each year (Krips & Fesel, 2001).

The relationship with artists is in many cases on a friendship basis. Only very rarely has a gallerist written an agreement with an artist to cover mutual obligations. Some galleries use a written letter of understanding that describes what each side has to do in the partnership (Geuting, 2001). Very often, however, galleries operate on a handshake and there is no written agreement (Schmickler & Fritsch, 2001). Klein (1994) describes the relationship as patronage. With or without a contract, the artist almost always tries to have an exclusive relationship with a single gallerist in each country. Only rarely do artists have several dealers in one country, as dealers do not like to invest in promotional efforts that may benefit other dealers selling the same artist.

Art galleries follow a two-sided revenue model (Fesel, 2008). First, they are engaged in the primary market. As discussed above, primary sales represent the first time a work of art is sold. It is the business that is usually operated at the front, in the exhibition room. The gallery either sells an artwork from its current exhibition or from its stock. In both cases, it is industry standard that the sale price is shared on a 50:50 basis between the gallery and the artist. If the gallery acts as a secondary gallery and shows an artist represented by another gallery, the primary (original) gallery receives at least 10% of each sale (U. Klein, 1993). In some cases the industry standard of 50:50 can be waived; Thompson (2008) reports that Gagosian and White Cube take only a 30% commission on Damien Hirst's sales. When organising an exhibition, galleries try to lose as little money as possible. Hence, showing a new artist for the first time is usually unprofitable: gallery maintenance expenses are as high as for any other show, but promotion costs for a new artist are higher and sales probably lower (Seegers, 2001). Interestingly, prices in galleries are subject to negotiation. In most cases, galleries are willing to give a discount on the price – even for an upcoming artist and an unknown buyer. Blomberg (2008) reports that even higher discounts are offered to museums or famous collectors in order to place the work in some elaborated environment that leverages the artist's profile. Robertson (2005) highlights the reverse effect: when a collector buys an artwork from a dealer he also buys in the trader's reputation, taste and understanding of the market. In a sense a collector could argue that he bought a Jopling or White Cube, rather than a relatively unknown artist from this gallery.

Second, in addition to an art gallery's commitment in the primary market, some dealers engage in the secondary market. Secondary market sales refer to all succeeding resales of a work. Similar to an auction house, an art gallery transfers artworks to clients. The only difference is that while an auction house acts more as wholesaler, the gallery can be linked to a retailer (Thompson, 2008). The gallery holds several roles in the secondary market: either it can represent a collector and buy artworks under the collector's name.

Alternatively, it can emerge as collector and investor, trying to buy an undervalued artwork which it can resell. Furthermore, the gallery may act as protector to its artists: when an artwork appears at auction, a dealer may protect prices by trying to build up the price to the level of the gallery price.

Art gallery owners have no particular background education, since no test or certification is required to become a gallerist. Top dealers reach their status not by excellent business or art history degrees (although some have them). Rather they have operation capital, excellent contacts, good judgement in selecting and finding artists, aggression when they approach potential buyers and savvy in promoting their brand (Thompson, 2008).

The gallery market is highly fragmented and consists of several thousand art galleries worldwide. Mc Andrew (2010) speaks of 375,000 recorded galleries (including dealers) who are active in the fine and decorative art and antique market worldwide. Interestingly, like the auction market, only approx. 3% of all galleries (art dealers included) account for 50% to 75% of the total turnover by value by art galleries (Mc Andrew, 2010).

Compared to auction houses, art galleries have the following key advantages over auction houses (in reference to Mc Andrew, 2010):

- Their mark-up can var
- They exercise ultimate control over the price and supply
- They can work with complete confidentiality
- Their size (compared to an auction house) can allow more flexibility

Robertson (2000) and Thompson (2008) have tried to classify art galleries into categories. Robertson judges galleries across four criteria: whether they set trends, achieve top prices, use sophisticated promotion techniques for their artists and organize museum quality exhibitions. Thompson judges them according to the founder, looking both at personality and at the level of industry expert and client networking.

Interestingly, neither author explicitly highlights management capabilities as a core tool in distinguishing one gallery from another. Since we hypothesize that the degree of professional management is positively related to the performance of art galleries, we introduce a management component. This not only includes the description of management practices (according to Bieger's dimensions), but also financial performance data, as well as working to ethical standards. Based on the authors' findings and ours, four characteristics that distinguish galleries can be identified, divided into two central perspectives: the internal view and the external view.

The internal view contains two of the four characteristics: those that relate to the founder of the gallery and the internal structure. The founder of the gallery plays an extremely important part in the gallery's success. As in any very small business, the business revolves around the founder. Furthermore, every successful gallery must be in command of a sophisticated management structure to promote the artist accordingly. This criterion also includes the financial performance.

The external view, comprising the other two characteristics, is more outwardly directed. It describes characteristics that are related to the artists and the network of partners, clients and industry experts.

To sum up, the four characteristics are the following: from the internal view, the personality of the founder and a sophisticated internal management to best promote the artists; and from the external view, the selection of artists and network of partner, clients, and industry experts.

The configuration of these characteristics decides the status of the gallery. The following table gives an overview of the categories, characteristics and description of art galleries:

7.16.3. Categories, Characteristics and Description of Art Galleries

Category	Characteristics	Description
Alpha "branded gallery"	*Internal view:* • founder widely considered as great personality by clients and artists, attracting much attention • sophisticated management Structure *External view:* • primary market: highest quality art of dead and living artistssecondary market: considerable and certain resale / investment value • intimate and large group of top collectors worldwide and partnership with best museums/galleries Worldwide	• huge global brand awareness • trendsetter with top prices (even for unknown artists) • key player on sec ondarymarket • participation at Art Basel, TEFAF, Frieze and exhibition in best museums worldwide • exhibition reviews in New York Times, ART news *Examples:* Gagosian Gallery, White Cube, David Zwirner, Pace Wildenstein, Mai 36

Beta "mainstream gallery"	**Internal view:** • founder considered as personality by clients and Artists • decent management Structure **External view:** • primary: high quality artworks by dead and living Artists secondary: highly likely to have potential resale value • small group of good collectors nationwide and partnership with museums/galleries Nationwide	• nationwide brand awareness • can be a trendsetter (if successful, artists transfer to Alpha gallery) • participation at Art Basel (small booth), FIAC, ARCO, Art Cologne, ArtForum Berlin and exhibition in best museums world wide • exhibition reviews occasionally in national newspapers Examples: Hans Meyer Galerie, Sprüth / Magers, Thomas Ammann, Nächst St Stephan
Gamma "high street gallery"	**Internal view:** • Low-key personality of Founder • "intuitive" management Structure **External view:** • primary: art rejected by Alpha and Beta gallerie (mixture of upcoming/emerging artists and established artists (second class) secondary: may prove worthless or ascend to the Beta level • no firm collector base, occasional acquisitions and no partnership with Museums	• little brand awareness • no trendsetter • participation at satellite art fairs, such as Scope, Liste, Red Dot Art Fair • exhibition reviews in regional newspapers

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| Delta "vanity gallery" | **Internal view:**
• personality of founder not Visible
• no management structure

External view:
• primary: artists pay to be shown (artists' selection: "a bit of everything") secondary: worthless unit value of art, no resale
• no collectors, only one-off buyers and no partnership with museums | • no brand awareness
• no trendsetter
• participation at local art fairs, such as Art&Style St Gallen
• few exhibition reviews in local newspapers, magazines |

Source: Adapted from Robertson (2000) and Thompson (2008)

7.16.4. Private Art Dealers and Adviser

Another type of dealer exists in the art market – the private art dealer or art adviser. They operate from a small office, usually based in major cities, as an agent in the secondary market or an adviser to a collector. In fact, Thornton (2008) emphasizes that private art dealers operate almost exclusively in the secondary market and only rarely get in touch with the primary market.

The daily work of dealers is to search within their network for interest in one particular artist. Then they call anyone they know who has purchased this artist and asks if the work might be for sale, usually offering an attractive price. If the seller agrees they add a percentage of the price on top and resell to a waiting client (Thompson, 2008).

The private art dealer's reputation in the market is not the best one: Thompson (2008) describes private art dealers as "part broker, part tastemaker, part tour guide and part shrink" (p. 45). Furthermore, gallerists do not like them very much, since they compete with them over the same clients; gallerists have to pay dealers for bringing in these clients; and dealers do not support upcoming artists (Lindemann, 2006).

Their income is generated through a commission of 2%-10% of the value of art involved and through a consignor's fee of 2-20% from the gallerist (Thompson, 2008).

There is no formal education for dealers. Usually they were once auction house specialists, curators or academics. Their key resource is their huge network of connections, expertise

and focus. The art dealer market is highly fragmented, with no relevant data giving a number.

7.16.5. Art critics

It is the art critic's job to focus the art viewer's interest. In general, critics are active in all markets but most prominent in the contemporary market to which final value has yet to be awarded (Thompson, 2008).

In general there are two types of art writer: journalists and traditional critics. While journalists write more for the art section in mass media productions, art critics usually write for a focused audience in specialized magazines (Thompson, 2008). Art critics also have two other functions: firstly, they are often being used to attract new advertisers. Many publications review only exhibitions held by advertisers (Dossi, 2007). Secondly, critics write catalogue essays for galleries or auction houses. Since their essays are reviewed and paid for by the gallery, the critic's objectivity is limited to a certain extent. This is confirmed by David Lee, editor of the arts news sheet, The Jackdaw. In Robertson (2005) he confirms that critics only review exhibitions in metropolitan art centres, wealthy arts foundation, or galleries where they receive either hospitality or payment. Venues outside the center with smaller media budgets are therefore often left out. Robertson (2005) argues: "It all has very little to do with efficient or comprehensive reporting and much more to do with intellectual and physical indolence" (p. 27).

The art critic's role and influence on the market should not be overrated. As Thompson (2008) argues, critics should be major art-world players due to their close relationship with dealers, artists and art fairs. However, "they are not" (p. 227). The impression that art writers can "make or break" an artist's career is outdated. Thompson (2008) quotes senior art critic from New York's Village Voice and three times nominee for the Pulitzer Prize for criticism, Jerry Saltz: "At no time in the last fifty years has what an art critic writes had less of an effect on the market than now. I can write that work is bad and it has little-to-no effect, and I can write it is good and the same thing will happen. Ditto if I don't write it at all" (p. 228). This can be illustrated with an example. On 16 April 2006 a four-page review on Cecily Brown appeared in the Sunday Times Culture magazine. Waldemar Januszczak's review, accompanied by a two-page color reproduction of one of Brown's works, began with: "Cecily Brown could be the best British painter around" (Januszczak, 2006). This praise of a relatively unknown artist dragged only 100 new visitors into Gagosian gallery, three visitors a day (Thompson, 2008). This disillusioning statistic demonstrates how little impact art critics possess – even when they publish in the best newspaper.

7.16.6. Art Museums

Considered as temple of the human spirit, public art museums are important civic institutions (Carrier, 2006). At the same time, art museums are important business organizations and exhibit a lot of impact on the art market. Museums act as gatekeepers to the premium level in the art world since they seem to act independently from the art world and always have a reputation for being objective in their judgement (Thompson, 2008). Works shown in museums are regarded as "museum quality" and museums serve as the final repository for validated reputation. Museums also captivate with memorable architecture to attract tourism. The best example is the Guggenheim in Bilbao or the Walker Art Center in Minneapolis designed by Swiss architects Herzog & de Meuron.

Recently, Contemporary Art museum's role has shifted and their role in the art market has become increasingly important since directors can outplay their impact with single actions. It has become common practice for art museums to buy artworks of living artists. A mid-career retrospective by a famous museum can leverage the sale price of an artwork (U. Klein, 1993). The curator thereby circumvents the forty-year waiting period to test the value of the artwork and replaces it with his own taste (Kunze, 2002). Many collectors use this dynamic of the market and on the one hand open their own museums – for example Ron Lauder and Neue Galerie in New York, Bernard Arnault and the Louis Vuitton Foundation in Paris, or Eli Broad and the Broad Contemporary Art Museum in Los Angeles. On the other hand they exploit existing museums by showing artworks on loan and then using the increased reputation of the work to sell it in an auction. For example in 2006, a work by Huang Yong Ping was on loan to a retrospective of his work at the Walker Art Museum in Minneapolis. After the exhibition it was sold at auction for $168,000, almost three times its estimate.

Increasingly museums are funded by private/public partnership. In fact, museums depend on donations by collectors. A look at their budget reveals this: the Museum of Modern Art in New York (MoMA), America's seventh-largest museum by budget, receives only $281,000 in government support toward its $160 million operating budget (Museum of Modern Art, 2008). The rest is covered by admission, membership fees, investment income, grants and contributions and auxiliary activities. In detail, the cost of each visitor to MoMa is $50; the admission fee is only $20, while only half of the visitors actually pay. The $30 shortfall is covered by the cafeteria and bookstore, gift shop, restaurant etc. Interestingly, the annual budget of $160 million contains only $18 million for acquisitions and $27 million for curatorial expenses, while the rest is spent on less art-related activities: $50 million on cost of sales/auxiliary activities, $27 million for building expenses and insurance, $17 million for administration (Museum of Modern Art, 2008).

Another aspect of the relationship between museums and Contemporary Art is the global-

ization of museums (Thompson, 2008). Guggenheim is the leader in this field. Borrowing from the franchise concept, Guggenheim signed deals with cities around the world to open a branch financed by the city government (Bilbao) or the sponsors (Berlin, Deutsche Bank).

7.16.7. Artist

Artist as profession dates back to Michelangelo. He was considered as skilled in painting and created art as an occupation. Rembrandt added the market component to it, trying to push his career by promoting his reputation. In the 1960s artists developed into media stars, putting the focus on the artist as a person, rather than solely on the artist's work. Jeff Koons' marriage with La Cicciolina is a good example to demonstrate an artist's exposure to the media and the public's increasing interest in the artist's life. Andy Warhol is perhaps the best known artist as a media star. These self-promotional marketing practices had an impact on artists' reputations and are still today practised by many artists in an effort to jumpstart their career (Robertson, 2005; Boll, 2009).

Researchers, like galleries, have tried to classify artists into distinct categories. As in the art gallery classification scheme, there are also rapid transitions between each category. For example, Mature/Emerging and Successful artists can in a short period of time become "Superstars". Again, the question arises what distinguishes a "good" artist from a "bad" or "unknown" artist. Since there is no clear definition of this, nor has there been any research so far on this topic, following a list of characteristics is not enough. However, it is a good working tool for classification purposes.

The characteristics that might differentiate artists can be grouped into internal and external viewpoints. Internal characteristics relate to the artist's personality and vision. As with every other entrepreneur in "normal" business, an artist's personality has to be unique in its own way. Likewise, the work of an artist must stand out from the mass, for example by being better, more original or different to existing works. The external view describes how artists interact with their environment and if they can rely on a great network of partners / supporters and colleagues. Further, the external view describes how the environment reacts to the artist. There have been various incidences where the environment was not ready for an artist and the artists became famous only after death.

To sum up, the characteristics are as follows. From an internal view:
- (1)   Personality of the artist,
- (2)   Creativity, originality, vision of the work; from an external view:
- (3)   Network of partners/supporters/colleagues,
- (4)   Environment's readiness.

The configuration of these characteristics decides the status of the artist. The following table which gives an overview of the categories, characteristics and description of artists:

7.17. Categories, Characteristics and Description of Artists in Contemporary Art

Category	Characteristics	Description
Superstars represented by Alpha gallery or own distribution channel	*Internal view:* • Exceptional Personality • visionary, creative, original work, exemplar for a Generation *External view:* • extensive network of partners / supporters / colleagues • Environment has embraced artist's work and adores it	• ‑ Extended top 100 list of Contemporary artists (for example according to Manager Magazin Kunstkompass) • seven-figure income • premium lots at major evening auctions • single shows at Art Basel, Tate • Modern, Centre Pompidou, • Whitney, Guggenheim, Martin Gropius Bau • participation in group shows such as Venice Biennale • purchase of work by museums • such as Tate Modern and best private collectors • review in "Art in America", "Flash Art", Parkett", "Kunstforum" • various catalogues with premium publishers, distributed worldwide

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Mature/Emerging and Successful represented by Beta gallery	**Internal view:** • Personality perceived as special • visionary, creative, original work **External view:** • network of partners / supporters / Colleagues • Environment has embraced artist's Work	• mixture of upcoming/ emerging artists and established artists (second class), recognized reputation, stable sale record • five-six-figure income • secondary lots at auctions, stable prices • participation in group shows at national museums, single shows in regional museums and galleries • purchase of work by national museums and important collectors • review in national art journals catalogues with publishers, distributed nationwide
"High Street Artists" represented by Gamma gallery or Delta gallery	**Internal view:** • Personality • either visionary, creative or original Work **External view:** • low network of partner / supporters / Colleagues • Environment recognizes artist's Work	• respected reputation • income supplemented through • teaching, writing or art related jobs • small secondary market, few • auction records, varying pricing • participation in group shows in • regional museums, in local • galleries and museums • some newspaper reviews • some catalogues

"Vanity Artists" represented by Delta gallery or artist-curated show or Producer Gallery or none	*Internal view:* • low key personality • not visionary, creative or original Work *External view:* • no network of partner / supporters / Colleagues • Environment is overloaded with artist's work	• little reputation, no clear profile, studio is living room • very little income through art • no secondary market, no resale value • participation (very rarely) in local art fairs or local exhibition spaces • few exhibition reviews in local newspapers • most catalogues produced individually or on CD
"Beginners" No representation	*Internal view:* • No personality visible, no profile • Work shows no originality, vision or creativity *External view:* • partner / supporters / colleagues • Environment considers works not as art, unsellable	• no reputation • no income through art • searching for representation • no secondary market, no resale value • completely out of the market • organize exhibitions themselves or • through friends • reviews in some local magazines • no catalogue but website or CD

The career of an artist can usually be separated into three distinct phases (ICG Culturplan, 2010): the shopping phase, the decision phase and the final phase.

The shopping phase is characterized by young artists that show intense exhibition records at varying galleries (with first solo shows), work extremely hard, are funded by scholarships and hope to be spotted by an Alpha or Beta gallery (Robertson, 2005; ICG Culturplan, 2010).

During their education years artists try to enlarge their network of potential buyers, gallerists or conceptual art mediators. Their professors could be of help, as well as their own marketing efforts, such as a webpage, self-organized group shows, participation in and winning of awards, scholarships, etc. After graduation or when artists feel ready they enter the art market. In this phase usually artists are represented by various galleries and it is hard to distinguish one from another. Very few art students will directly be represented

by an Alpha gallery. Instead, most exhibit in Beta galleries to Delta galleries or artist/ curator shows. Usually, gallery exhibitions are only based on loose bonds, because art gallery owners try to test new artists. Very rarely, artists will get a solo show in an Alpha to Gamma gallery in the three years subsequent to their graduation (Thompson, 2008). More often, they will participate in group shows, not only in one gallery but in affiliated galleries preferably abroad.

An alternative way to start a career is without any art education as freelance artist. They start off exhibiting their work in mostly non-commercial spaces and reach a greater audience. Artist-curated shows are organized by fellow artists that use their own network to invite guests to the art exhibition and try to sell art (Blomberg, 2008). A producer gallery is the most recent result from this development, where artists act as their own agent and take over the art gallery manager's job, including renting a gallery, doing the promotion and selling art. Artist-curated shows, as well as producer galleries, provide the artists with a platform to show their art and be spotted by a gallery.

The second phase, the decision phase, is characterized by more mature artists that have found their role in the art market and their representation (or not). In this phase it becomes easier to differentiate artists (Robertson, 2005; ICG Culturplan, 2010).

By the age of around 35 artists have shown at various galleries. A very small fraction of artists are able to engage in closer relationships with Alpha or Beta galleries. This is usually based on an artist's performance in the shopping phase. In case of good sales and an excellent track record with other galleries, an Alpha or Beta gallery owner will continue to work with them and intensify the relationship (Blomberg, 2008). Being represented by an Alpha or Beta gallery paves the way to becoming a "Superstar" or "Mature /Emerging & Successful Artist".

The great majority, however, stagnate in Gamma and Delta galleries because they did not manage to convince leading galleries in the shopping phase. When only few works are sold, the gallery owner will no longer continue the relationship and will ignore the artist in future gallery programs. Artists will then try to find another gallery that will represent them. In fact, Thompson (2008) calculates that "two out of five new artists will no longer be showing in a Gamma gallery five years after their first show; two will have been marginally successful, and only one will be quite profitable for the gallery" (p. 47). Those that have been unsuccessful either find new representation with a gallery in the same category or move downwards to a Delta gallery. Unfortunately, artists not belonging to the top two groups usually do not make enough money from their career as professional artists. Thus, "High Street" and "Vanity Artists" must engage in side jobs to fund their work. Although these jobs are only temporary, they are responsible for the greatest percentage of an artist's income.

The final phase is characterized by a great percentage of artists abandoning full-time work as artists, while a small fraction actually makes a living from it and continues their presence in the art market even after death. At the age of approximately 45 a very small fraction of artists are represented by an Alpha or Beta gallery. Once an artist is in a Beta gallery, he will ultimately try to be spotted by an Alpha gallery, since this is the door-opener to the Olympus of the art world. "Mature Artists", represented by a Beta gallery, are often lured away by a branded (Alpha) gallery that guarantees sales (Thompson, 2008; Robertson, 2005). Through national Kunsthallen and major biennales in Western Europe, the artist will try to climb up the latter to become a Superstar with works dealt in the primary and secondary market. This will continue even after death.

The majority of artists, however, cannot survive from the income through art. Scholarships and other state funding possibilities or awards are running out because they are usually only for artists below 45. Artists that aren't part of the first two groups will continue financing their living through side jobs, or eventually decide to stop their career as artists.

Although data on artists is only very sparse, a 2006 study by the German Council of Culture involving 417 self-employed artists (all members of a union) from all four sectors of the arts (music, literature, Fine Art, performing arts) shows a similar picture (Dangel & Piorkowsky, 2006). In Germany approximately half of all those in the Fine Arts earn less than €1,300 per month from their activities as artist. Nearly a fifth of Fine Arts practitioners earn less than €511 a month. Sixty percent of all German self-employed artists receive financial support from their families. Considering these numbers a relatively small proportion (1/3) of fine-art artists consider turning their hand to alternative employment.

7.18. Collectors

The most relevant player in the market, next to the artist, is the collector (Boll, 2009; Schiefer, 1998; U. Klein, 1993). Collectors establish the market: while the artists fulfil the supply side, the collector is on the demand side, introducing money in the cycle (Robertson, 2005). They also have a powerful impact on t he success of an artist. When a famous collector buys an artist's work, or even just expresses interest in it, this can increase the value of a n artist. The reputation and brand of the collector will trigger other collectors to buy.

Art collectors may be private individuals, but may also be institutional. Private art collectors represent by far the largest group of art collectors. According to the Capgemini and Merrill Lynch Wealth report it is this group that has an enormous impact on the art market. Among their investments (the "passion investments") art has emerged as the third most popular category after luxury collectibles and jewelry with an average share of 22% of HNWI passion investment in 2010. Interestingly, among those HNWI who acquire

luxury products purely as a financial investment, art was the most likely to be acquired (Capgemini & Merrill Lynch, 2010).

Various researchers have tried to classify collectors into groups (Hirschman & Holbrook, 1982; Moulin, 1987; Robertson, 2005; Thompson, 2008; Boll, 2009). A starting point for classification is always an analysis of their motivation.

Collectors have different motives for collecting art. (1) Some seek the inspiration that art brings. (2) Others are driven by the urge to collect, such as stamp collectors. (3) Another group regards art as an asset that is worth investing in to generate a high return. "Part of the pleasure of collecting lies in risk and competition. Collectors gamble on paintings and artists the way racing enthusiasts gamble on horses or market enthusiasts on stocks" (Moulin, 1987, p. 82). (4) Still others seek social reputation. Collecting art is recognized as a luxury lifestyle, demonstrating the intellectual ability and sophisticated interests of the collector. Moulin (1987) adds: "Speculation is amusing. Because good taste and good investments go hand in hand, the speculator qualifies as a connoisseur by the profit he earns" (p. 99). Hence, various collectors open museums to manifest their social status, even after death. Belk (2003) argues that "in a materialistic society, the quality and quantity of our possessions are broadly assumed to be an index of our successfulness in life in general. In addition, by competing for rare objects of value, we are able to demonstrate our relative prowess and the effects of superior knowledge, tenacity, monetary resources, cleverness, or luck" (Belk, 2003, p. 87). Besides the leveraged social status, collecting art and opening museums bring tax relief. In particular in the US, tax relief is a key motive for the emergence of various private museums in recent years. This final motivation is supported by Hirschman and Holbrook who propose in the Journal of Marketing that attending arts events fulfils hedonic rather than utilitarian needs. They argue that people's motivation to come out to an art event may have nothing to do with the art itself (Hirschman & Holbrook, 1982).

To sum up, collectors can be grouped into four segments based on their motivation: first, there are the cultural need or knowledge seekers. Second, there are those that look to meet symbolic needs. Third, there is a group of people who seek the opportunity to meet their peers, i.e. the social needs seeker. Finally, there are those want a respite from daily life, whose emotional needs are thus met by art.

7.19. Art Market Characteristics

A comprehensive presentation of the art market must incorporate an analysis of the specific characteristics of the art market in reference to other markets, particularly to the stock market. This will demonstrate its uniqueness. To start with, it seems that the art market functions differently to other markets. Velthuis (2005, 31ff.) describes how

classical economists such as Smith, Jevons and Marshall encountered great difficulties in applying conventional economy theory to art markets. Even now, researchers have difficulties in understanding the specific art market characteristics. Book titles such as "Pricing the Priceless" (Grampp, 1989) or "The $12 Million Stuffed Shark" (Thompson, 2008) demonstrate the challenges researchers encounter. Luhmann (1981) questioned if the art market can be analysed and understood in detail. He asks how prices, for example, can be attached to a piece of art which should, according to its original intention, never be treated like a commodity but only be valued as beautiful or ugly (Luhmann, 1981).

7.20. Characteristics of the Commodity

Original art objects such as paintings, sculptures and other artefacts have characteristics that differentiate them from all other goods.

Gérard-Varet (1995) notes that artworks are the output of individual creativity. For him every unit is unique, an extreme case of a heterogeneous commodity. For the work of death artists in particular, there is only a limited supply since artworks cannot be reproduced. Since copies or reproduction must be marked clearly as such, the uniqueness of every work of art is guaranteed. This is one key difference between artworks and commodities like stocks. While stocks can be easily and perfectly substituted, works of art are unique and even two works on the same theme by the same artist are not substitutes for one another (Gérard-Varet, 1995).

A further distinguishing factor is that artworks form part of the cultural capital of mankind, and thus have public-good characteristics (Frey & Pommerehne, 1988).

7.20.1. Classification of the Commodity

Unlike most other products, artworks cannot be assigned to either consumer goods or financial assets (Bernhard, 2005). On the one hand, artworks provide consumption benefits to purchasers through their composition and usage as luxury product. On the other hand, works of art can be a financial asset because each artwork has a price and a market. Thereby they show very similar characteristics to financial assets. In this role artworks can be used as a hedge against inflation, as a source of speculation or as assets (Thorsby, 2004). Grampp (1989) argues: "Their usage as a tool to satisfy one's needs makes the arts comparable to a property or a piece of land. Art is additionally something totally different compared to a stock, because a stock can't be used as decoration of a wall to beautify it (p. 207)". Similarly other researchers describe the art market as a paradox union of aesthetic and economic driving forces (Herchenröder, 1999, p. 9)Stein (1977) therefore claims that there is no clear definition of whether artworks belong in the category of financial assets or consumer products (p. 1021). Other researchers agree

and claim that the definition of art depends on its usage. A collector with no investment targets considers art as consumer/luxury product that generates aesthetic value, while an investor considers it a financial asset.

7.20.2. Market Form

The art market takes on the market form of the monopolistic supply competition: many producers and many consumers in a given market where no single business has total control. Consumers perceive that the offered products are similar but not identical. Hence, every supplier is in a monopolistic situation. This monopoly is alleviated through the substitutability of the products. Substitutability exists when artworks resemble each other, for example when artists have the same educational background or work on the same theme. This leads to weak competition among suppliers (Schumann, 1992). However, the originality of each work anticipates that prices are equal and leaves room for price differences (Grampp, 1989).

7.20.3. Competition

Competition in the art market varies between the levels and career phases of artists. At the beginning, in the shopping phase, competition is widespread. Here we find more artists than potential buyers, so prices are low (Throsby, 1994). "Although most serious painters undergo significant periods of training to qualify as professional artists, as a group they lack the credentialing mechanisms of doctors and attorneys, and are thus unable to exert any supply-side power in this market in order to restrict competition or to raise prices" (Throsby, 1994, p. 7).

The secondary market is significantly more concentrated with only a very limited number of artists and buyers. This limited number gives galleries and dealers more market power (Throsby, 1994). Not infrequently, a gallery owner will act as a monopolist by tying up the work of a particular artist (Throsby, 1994). Stocks are different in this context since in general they can be purchased by everyone and are usually held by many individuals.

Liquidity

According to Sotheby's (2009) the art market is not very liquid. While transactions in stocks are frequent, artworks do change owner, but – because of the subjective value of artworks, and the swings in value over time – with considerably lower frequency. Hence, people are reluctant to buy and sell artworks so frequently and trade them as they might with stocks. A further contributor to the illiquidity of the market is the time lag between the decision to sell an artwork and the actual execution. It can sometimes take several months for an artwork to be sold (Frey & Pommerehne, 1988).

7.20.4. Supply and Demand

In general, terms the art market follows the regular rules of demand and supply theory. However, it has its own characteristics.

According to Marion (1983) there are only a limited number of artworks for each artist. The supply on the market – after the artist's death – often does not follow regular rules. Mostly, it does not depend on the sheer quantity of existing artworks on the market or on demand, but on the very personal motivation of the supplier of artworks (Marion, 1983). Athineos (1996) argues that an artwork can be offered on the market for a variety of reasons including divorce, death or debt (p. 203). Baumol (1986) regards the random nature of this supply as a key reason for market failure.

Contrary to supply, the demand for art has increased in the past centuries and will continue its rise, since new buyer groups appear on the market (see above). It is these new buyers that represent the demand for art since these people try to enter society and elevate their social status through the purchase of expensive artworks (Athineos, 1996).

When it comes to the point where supply meets demand, the pricing of artworks shows a fundamental unique characteristic. In the secondary market (auctions and trading) demand and supply define the equilibrium price. However, with fresh and young Contemporary Art without a vast auction track record there are no reference points to value an artwork. Gérard-Varet (1995) states that there are more artists willing to sell the artwork than potential acquirers. Baumol argues (1986) that, since the price cannot be determined by using marginal costs as reference points, there is no process for reaching the equilibrium price. Here, we find a major difference to the stock market. According to Baumol: "In the case of a stock we know, at least in principle, what its true equilibrium price should be – it is the stock's pro rata share of the discounted present value of the company's expected stream of future earnings" (p. 10). However, with fresh and unknown Contemporary artworks there is no one who can claim to have found the equilibrium price.

To sum up: trading art shows similarities to trading stocks. Often it is the perception of reality that really influences the price. However, over time, the stock market can make use of objective criteria whereas in the art market subjective criteria are applied until the judgement of history or auction results come into play. In this interval (between the short- and long-term views) dealers manipulate supply to demand high prices (Zorloni, 2005).

7.21. Market Efficiency

The difficulties in determining the price of art demonstrate that the art market is far from perfect or from fulfilling the efficient market hypothesis (EMH). The hypothesis claims that

if information is the cornerstone of price, then financial markets are efficient, since prices on assets in the market reflect all existing information (Dictionary.com, 2009). Therefore, according to theory, the market cannot be outperformed by using information already known to the market, other than through luck (Malkiel, 1996).

Louargand (1991) argues that the art market is not efficient. Comparing it to an almost efficient market, such as the financial market, they claim that prices must reflect all existing information at any time (Louargand, 1991). As Czotscher (2006) argues, transparency in the art market is fragmented. For example there is no central point where all market data comes together and is visible to public. Interested buyers must conduct intense research to find the object they like and pay prices that are not secured (Czotscher, 2006; Wilke, 1999). Wilke (1999) argues that not even market experts have a clear view on the market structure. Comparing this to the stock market, Baumol (1986) claims that, in the case of stocks, the price for exchange is public information. However, the price on which art is exchanged is frequently known only to those who are involved in the transaction. Publicly available price data is limited to public auction sales. Works that are bought-in are also excluded. In addition, any sales through a dealer are not included in the data set. This asks for inside knowledge and information to successfully engage in the market. Since not even market insiders always possess this knowledge, the market does not fulfil the criteria to be efficient.

7.22. Market Distortions

Furthermore, the market is not free from distortion; there is no legislation to prohibit it, and widespread information asymmetry even fosters it. Insider trading, for example, is considered as normal and a key source of profit.

Market distortions can be frequently seen in auctions, where collectors conspire with dealers and sometimes auctioneers to push the price of a particular artist (Herchenröder, 2003). The target is always to push the price as high as possible to generate some media attention towards the artist and establish a new price level. In the next auction more works appear with a heightened starting price level.

Another commonly practiced market distortion is found in social relationships. Krepler (2007) identifies that prices vary depending on the client. For example, a famous collector and an unknown collector will each pay a very different price for the same work. These practices and others foster the impression that the art market is not a free market but bound to any number of agreed, unspoken, but widespread practices (Krepler, 2007). The following table highlights some key characteristics of the art market in comparison with the financial market.

7.23. Plastic arts in Rwanda

7.23.1. Brief background

Rwandan history showcases a people with so rich a culture, it literally is full of visual art. From painting to sculptures, the Rwandans have always had it all, and in efforts to revive the Rwandans' love for the visual arts, the government has sponsored and encouraged many programs that foster these arts. However, many people argue that a career in this particular industry does not reward enough and as a result it is not as alluring as all the other prospective career options. Many artists have since settled for art as a hobby and are more willing to do it for fun and pleasure than they are to pursue it as a perspective business opportunity. Rwandan artworks varying from paintings to sculptures is most likely to be sold to foreigners than it is to locals. As one respondent explained:

> *"...during art exhibitions and in art studios, many potential buyers or even onlookers are foreigners than locals..."*

Nevertheless, though visual art has been known to inspire and encourage people to express themselves, it is also a tremendous way to showcase the culture and beauty of Rwanda, which may constitute a unique completive advantage. Performing art industry harbors great potential to affect the national economy as well through the generation of jobs, wealth creation and cultural engagement.

7.23.2. Plastic artworks in Rwanda

Interviews with plastic artists in Kigali City as well as selected districts revealed a rather common perception that many buyers of arts in Rwanda are foreigners. This finding points to the lack of consumption of the arts by the majority Rwandans. However, there are many art galleries and art shops in Kigali, many of which have been running for years. This is an indication that whatever the challenges there are, good art sells in Kigali.

Almost all types of plastic artworks can be found on the market in Kigali. Many of the artworks also come from the neighboring countries such as Tanzania and Kenya, especially with the Masai art, shoes, and many forms of decorative arts. There are also artworks produced by local artists; among which are very good artworks (paintings, sculptures, drawings, weaved baskets,) that have been sold and still sell in Kigali.

Nevertheless, individual interviews with artists tend to convey a message that many local artists lack the required skills to produce quality art that is needed on the market. This is especially true when considering other forms of artworks that are machine produced and imported in Rwanda. One good example are paintings, flour vases, figurines, table wares,

industrial art such as toilet sinks and bowls and tanks… all imported from China. Another good example are handbags produced locally with imported beads versus those imported made out of leather and soft leather.

Observations on the market coupled with individual interviews with buyers and art brokers show that the buyers tend to prefer imported artworks because they are perceived as of superior quality. One may also add their durability and market price to reasons for preference for imported artworks. It is often said that local artworks are very expensive compared to imported artworks.

7.23.3. Plastic artists in Rwanda

The mapping of cultural and creative industries in Rwanda (Unpublished study, 2014), reckoned that in Rwanda there were 123 individual visual artists and 63 grouped artists operating as teams. There were also 8,490 craft artists working individually and 2,921 artists working as groups. In various focus groups conducted with these artists, they often referred to issues related with limited capacity of the artists, the lack of appreciation of plastic arts by the mass population in Rwanda, limited market for plastic artworks, and the inability of artists to live out of art as a profession. Note however, that there are cases of very successful artists in Rwanda. The art industry faces many constraints binding its development and profitability. Some of the constraints have been articulated as follows:

7.23.4. Skills gap

A survey conducted by Rwanda Academy of Language and Culture in 2015 (unpublished), revealed the following gaps in skills of the artists.

Painting & Drawing
1. Conception of an original and creative artwork rooted in Rwandan culture and experiences
2. Writing the art project, detailing the techniques to be used, dimensions of the artwork, the choice of colors, scheduling the painting/drawing sequences, choice of material to be used and the category of the artwork
3. Sketching the artwork
4. Choice of canvas suitable to the type of painting/drawing
5. Setting up the canvas
6. Fitting the trivet and the canvas
7. Model the sketch on the canvas
8. Fitting the sketch to the selected and desired dimensions
9. Select the type of painting (realism/semi-realism/ expressionism/ abstractionism/ idealism/ impressionism…)

10. Select the appropriate technique (Impuzu/ paint/ collage/ couteau/ pinceau/ bricolage/ eponge…

11. Painting the desired sequences (scene/landscape/visibility and angles of appreciation/ foreground colors selection and shadowing

12. Achieve the desired creative originality, color effect and picturesqueness rooted in selected framework of understanding and appreciation (Culture and experience, occasion and audience)

Ceramic

1. Conception of an original and creative artwork rooted in Rwandan culture and experiences

2. Writing the art project, detailing the techniques to be used, dimensions of the artwork, the choice of colors, scheduling the molding/sculpting sequences, choice of material to be used and the category of the artwork

3. Sketching the artwork

4. Choose the appropriate mold

5. Choice of clay and type clay considering the impact on the final product

6. Preparation of clay and additives

7. Fitting the desired dimensions to the mold

8. Application of the desired molding technique (bas relief/haut relief/ronde bosse…)

Sculpture:

1. Conception of an original and creative artwork rooted in Rwandan culture and experiences

2. Writing the art project, detailing the techniques to be used, dimensions of the artwork, the choice of colors, scheduling the molding/sculpting sequences, choice of material to be used and the category of the artwork

3. Sketching the artwork

4. Choose the appropriate shape and dimensions

5. Choice of material (wood/stone/metal…)

6. Cut out shape with a whipsaw or appropriate tool (chantourner)

7. Shape out the sculpture (Ebaucher)

8. Finalize the shape

9. Smoothen the sculpture desired

10. Color the sculpture

Weaving:

1. Conception of an original and creative artwork rooted in Rwandan culture and experiences

2. Writing the art project, detailing the techniques to be used, dimensions of the artwork, the choice of colors, scheduling the weaving sequences, choice of material to be used

and the category of the artwork
3. Choose the appropriate shape and dimensions
4. Choice of material (plastic, paper, grass…)
5. Preparation of the material
6. (Vetiveri/Imigwegwe/ibigorigori/imfunzo/ishinge/ubuhivu/ubudodo/uburaza/ibirere/ rubban/ ubusuna/imikenja/amadeyi/amasaro ahinze/amasaro mu mpapuro…)
7. Choice of colours and themes (ornaments)
8. Start weaving targeting the creative and original aesthetics desired (Kunoza)

General entrepreneurial skills and general knowledge
1. Entrepreneurship skills related to arts
2. History of arts
3. Project elaboration and presentation
4. Project planning and execution
5. Cost analysis
6. Pricing
7. Marketing of artworks
8. Planning and organizing an exhibition
9. Business environment regulations (import/export/IP laws…)
10. Collective collection and management of royalties
11. Any other skills deemed strategic to development of the arts

7.23.5. Sector constraints

On top of skills gaps, there are also other binding constraints that have been articulated at different levels by different stakeholders. A study carried out by the Ministry of Sport and Culture (2016, p.18), indicated that among the identified challenges in this sector are:

7. Insufficient number of technical training schools and centers in plastic arts;
8. Limited investments arts;
9. Inexistent schemes or initiatives supporting emerging talent in plastic arts;
10. High cost of art equipment;
11. Low level of technology in the production of traditional Rwandan art crafts;
12. Inadequate investments in research relating to culture heritage;

7.23.6. SWOT analysis for plastic/visual arts industry in Rwanda

STRENGTHS	WEAKNESSES
• Availability of creative talent • Involvement of the youth • Availability of raw materials • Rich cultural heritage	• Low quality of artworks • Skills gaps in techniques, tools and market acquisition • Limited promotion of Rwanda culture-based content • No advertisement • Low level of awareness on the importance and use of intellectual Property Rights • Inadequate pricing models
OPPORTUNITIES	THREATS
• Political will • Supportive structure: policy, public institutions (Ministries), Rwanda Plastic Arts Federation, RALC • Existence of Intellectual property law	• Utilized materials are imported and are very expensive • Inadequacy in enforcement of the copyrights law • Piracy • Limited understanding of market dynamics by artists

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7.23.7. Implementation matrix

PLASTIC ARTS

Policy intervention	Target	Indicator	Stakeholder	Time frame/Budget ('000,000 Frw)					Total
				2019-20	2020-21	2021-22	2022-23	2023-24	**1,745**
Train artists in painting, ceramics, drawing, sculpture and weaving techniques	Improve technical skills	Number of artists trained	RP, RALC, MINISPOC, WDA, PSF, RAC, MINEDUC	35	35	35	35	35	**175**
Train artists in plastic arts gallery project management	Improve art business management skills	Number of managers trained	MINEDUC	35	35	35			105

GENERAL MANAGEMENT OF ART PROJECTS

Policy intervention	Target	Indicator	Stakeholder	Time frame/Budget ('000,000 Frw)					Total
				2019-20	2020-21	2021-22	2022-23	2023-24	**250**
Train artists, technical staffs and managers in entrepreneurship skills related to arts	Build art related business professionals to run successful businesses for increased revenues		Number of people trained in each cluster	50	50	50	50	50	
Train artists and managers in history of arts (all categories of arts)									
Train managers and technical staffs in project elaboration and presentation									
Train managers and technical staffs in project planning and execution									
Train managers and technical staffs in cost analysis models and techniques									

Train managers and technical staffs in pricing models and techniques

Train managers and technical staffs in marketing of artworks

Train artists, managers and technical staffs in planning and organizing an exhibition

Train artists, managers and technical staffs in business environment regulations (Import/export/IP laws…)

Collective collection and management of royalties

MARKETING OF CCI

Align CCI as promotion channels for products and services by								
Promote market driven production and management of CCI	Number of people Trained	RALC, MINISPOC, RP, PSF, RAC, RDB	40		40		40	120
Build celebrity capital that enables star artists to benefit from celebrity association to promotion campaigns and advertisement	Number of contract signed	RALC, RDB, MINISPOC, RAC	125	125	125	125	125	**125**
Artists, managers and agents to build brand equity to ensure long term corporate promotion contracts			25	25	25	25	25	125
Promote evidence based policy actions and business management	Report	RALC, RAC	70		70		70	**210**
Establish market segment and niches for each art category	Number of niches	RALC, RAC		20		20		40

Manage marketing efforts of CCI								
Promote evidence based policy actions and business management	Number of surveys	RALC	25		25		25	**75**
Conduct customer satisfaction Surveys by art category								
Build positive image of the art	Number of positive feedbacks	RAC						

7

Activity	Indicator	Responsible						Total
and artists								
Conduct audience preferences and interests mini surveys	Number of surveys	RALC		50		50		100
Assess the market share of local art			45		45		45	**135**
Assess the range of consumers' maximum expenditure on art per month, frequency and preference factors (every 2 years)	Report	RALC	50		50		50	100
Introduce a ranking system by star and genre in all art categories	Ranking system MIS	RALC	40		40			80
Bi-annually rank stars and genres in all art categories	Report			35	35	35	35	**105**

Improve competitiveness of the industry

7

7.23.8. Recommendations for the plastic arts industry

The plastic arts industry will need to implement the following for its continued development
To the government
- Improve the art production processes through intensive technical trainings to artists in different fields of plastic arts (RAC, RALC)

For plastic arts, it is important to focus on the product-marketing concept. This type of arts sells because customers can agree that the art is beautiful.
- Train artists and art gallery managers in gallery management techniques (RALC, RAC)

The business model here should be resource-based view. Again, in this type of business, each actor in the value chain has his value and competencies. It is therefore important to ensure that customers and matched with their preferred type of art.
- Conduct a market research to inform policy actions (RALC, RAC)
- Identify consumer preferences, niches, forecast market, and build a brand
- Promote investments in plastic arts (RALC, MINISPOC, INMR)
- Introduce art critique (RAC, RALC)
- Introduce art listing and rating (INMR, RALC, RAC)

Through art critiques, the beauty of art is explained and the artist's uniqueness expressed. Consequently, valuation of the art can be done. The artworks can then be rated and artists ranked.
- Promote art broking to match art and customer preferences (RALC, RAC, RDB, INMR)
- Rank and rate artists (RAC, RALC)
- Auction famous, quality and mostly demanded artworks (RAC)
- Promote applied plastic arts to the construction and hotel industries (RALC, RAC, RDB, INMR)

To artists
- Invest in talent nurturing
- Invest in skills development
- Invest in marketing management of galleries
- Associate with the construction industry, especially with architectural designing
- Promote art critique
- Promote art valuation
- Promote art auctioning
- Develop street art for beginners
- Promote professional art broking

To the general population
- Prefer Rwandan decorative art to imported decorations
- Prefer art inspired decorative forms and designs for newly constructed houses, hotels and office buildings

8   BOOK INDUSTRY
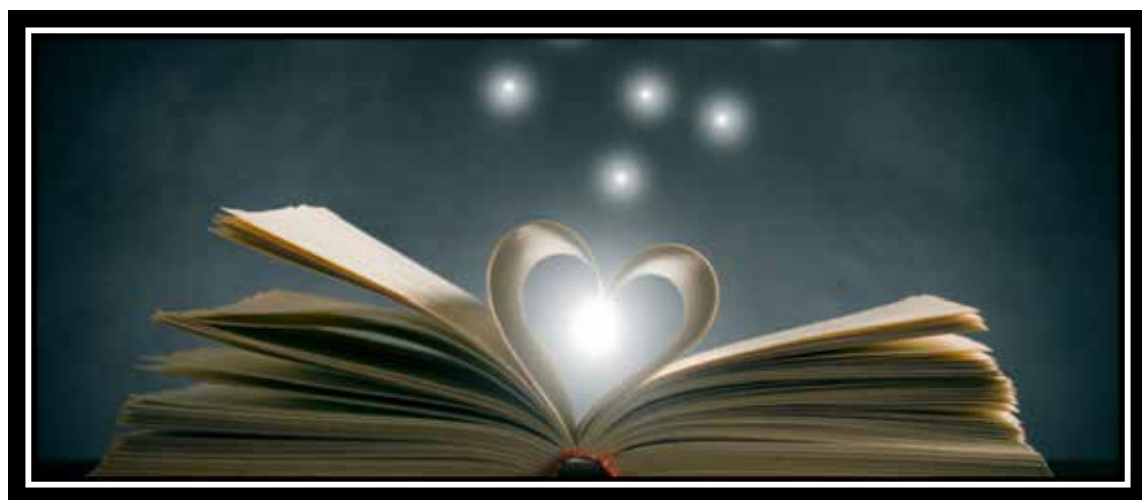
Books, literacy, lifelong learning and sustainable development are inextricably linked. Without access to a wide range of relevant books and reading materials, literacy skills – which are the basis for lifelong learning – cannot be developed and sustained. In 1991, UNESCO stated that sustainable development requires a literate, which cannot be attained solely by providing quality-learning materials to schools. If people are to stay literate, they must have access to a wide variety of written materials and continue the habit of reading in their adult lives". This is underlined by Shrestha and Krolak (2005) when saying that "…it is not enough to simply teach the population how to read if there is actually nothing relevant to be read and furthermore no motivation or demand for them to use and practice their literacy skills".

Developing literate societies is even more difficult when the basic required textbooks are scarce. Rosenberg (2000) observed that the "shortage of good quality teaching and learning materials remains the main stumbling block to literacy and effective schooling". A World Bank Report (1988) revealed "…there is a strong evidence that increasing the provision of instructional materials, especially textbooks, is the most cost effective way of raising the quality of primary education". It furthermore underlines that "the scarcity of learning materials in the classrooms is the most serious impediment to educational effectiveness in Africa". And it concluded by stating that "…it is certainly here that the gap in educational provision between this region and the rest of the world has grown widest".

8.1. The book and publishing value chain; brief notes

The term "publishing," like "editor," gestures at so many activities that it's not surprising if writers aren't clear just what a publishing company actually does.

There are all kinds of publishers. Most deal in hard copy. Anything printed and disseminated can be described as a publication—a mimeograph handout, a 500,000-copy-a-month magazine, a scholarly journal, a book. Anyone who produces any of these might describe himself as a publisher. Today you can self-publish. In fact, you always could. In the 1620s Johannes Kepler not only printed his own work, he disguised himself as a peddler and traveled to the Frankfurt Book Fair to sell it. Four centuries later you can disguise yourself electronically and publish online. *Inside Higher Ed*, Slate, and *Postmodern Culture* are online publications. The Chronicle of *Higher Education* and the *New York Times* provide abbreviated versions of their texts online, with more extensive resources deeper into the Web sites. The great scholarly publishers offer an increasingly sophisticated array of electronic "product," a term so complex it earns the right to be a singular rather than a plural. Yet despite the expansion of the electronic universe, academic publishing is still in

many important ways solidly connected to the world Gutenberg made: books printed on paper and bound for repeated readings. The book is the form in which we scholars tell our stories to one another. Articles do other things: test-drive a portion of a book's ambitious project, or deliver cold, hard data. Even when a publisher offers the choice of a physical or electronic edition of a work, or supplements a physical book with electronic ancillaries, or produces a physical book only on demand, it is the form of the book, that precious thought thought-skeleton, that holds a project together.

Twenty-first-century book publishing is dominated by a few very large and powerful corporations. Many well-known imprints are satellites within conglomerates. Scribner, for example, is part of Simon & Schuster. Knopf, Crown, and Doubleday are all parts of Random House, which is owned by the Bertelsmann corporation. (Norton stands as one of the few remaining independents in New York.) Smaller trade lists include FSG, Pantheon, and Holt, but they are part of larger organisms. Palgrave (Bertelsmann), Blackwell (Wiley), and Routledge (Taylor and Francis) are large commercial academic publishers owned by still larger entities. Alongside them are other midsize and small firms, commercial and not-for-profit, the giant Anglo-American university presses Oxford and Cambridge, as well as the archipelago of university presses that stretch across North America.

Publishing companies continue to imagine themselves as reasonably independent entities, presenting each season a collection of works that cohere in some way—either through their intellectual or entertainment value, or through the sheer force by which they are marketed to the world. Editors like to think of themselves, as they long have, as working at houses, though the label "house" is a charming compensation for a suite of offices either crowded and shabby or crowded and sterile. Yet "house" is both functional and stylish, with more than a soupçon of couture about it. Coco Chanel and John Galliano; Max Perkins and your editor of choice. Fabric and designs may be different, but these craftsmen all wield the same tool: a pair of scissors. An editor's job is, in part, to cut your manuscript and make you look good.

8.2. Who publishing companies Are

It is easy to imagine the critical distinction in modes of scholarly dissemination as print vs. electronic, and easier still to imagine this as the latest battle between ancients and moderns. In practice, electronic scholarly publishing is bound in many ways to the forms and institutions of physical print culture. Much electronic scholarship is dependent on carefully prepared hard-copy texts. The publisher considering your work in digital form is still likely to be dependent on trees and ink for its daily business.

We can group publishers into five major categories. The digital environment, now one of the scholar's homes, might represent a sixth category, but at this stage ion the life

of "publishing," it's perhaps more useful to think of "digital" as a means of operating, or of delivering content, that in varying ways influences the recognizable categories of publication. The corporate organization of knowledge can still be diagrammed in terms of these five:

1. Trade. Trade publishers, the big commercial houses based largely in New York and owned largely elsewhere, are what most people think of when they think of publishers at all. Trade houses are the source of more than half of the books published in the English language, and most conspicuously those on the best-seller list. When people talk about books, it's likely they're talking about trade books. Trade books are the ones most people— including you—read for pleasure and information. While no trade publisher is reluctant to have a backlist of titles that continue to sell year after year, the industry's trends are toward signing up only books that will be very profitable, and very profitable right away. Trade publishing thrives on precisely what scholarly publishing does not: the one depends upon reaching the greatest number of people quickly, while the other depends upon reaching enough of the right people over time, an objective made increasingly complex by the electronic revolution. Trade houses do publish some scholarly books, but scholarship isn't the reason these publishers are in business. In the era of conglomerates, there are fewer independent trade publishers and more divisions, imprints, lines, and series within larger trade houses. Trade publishing isn't the focus of Getting It Published, simply because few scholarly writers will begin their publishing careers with trade.

2. Textbook. The book you're writing may wind up being used in a college course, even as required reading, but that doesn't necessarily make it a book that a textbook publisher would want. Textbook publishing is often called college publishing. College publishers produce genuine textbooks—the introductions to macroeconomics and panoramas of American history that are the staples of large college lecture classes.

Textbook publishing can be the most profitable part of the publishing industry—and is when the books work. The publisher who produced the Psychology 101 text you've assigned in your lecture class won't be selling it to anyone other than students, but they will buy it because it is a requirement of the course—and usually a requirement of that course semester after semester. Textbook publishers don't get their books into Barnes & Nobleor your local independent, but they happily supply the textbook counter at your campus store once an order for your course has been received.

Textbook publishers expend considerable effort in providing teachers exactly what they need for specific courses—and then in revising the material on short cycles. Textbook publishing addresses real curricular needs, and attacks those needs with all the powers at its disposal—high-quality production, prestigious authors and advisors, sales reps who knock on professors' doors urging them to adopt a particular title, and a painstaking review

process. A well-reviewed work of serious trade nonfiction may earn you a bit of money, as well as professional kudos. But will a textbook? Universities rarely grant tenure to someone on the basis of having authored a textbook, and few scholars devote their early careers to this type of project alone. Why devote one's efforts—as publisher or writer—to college publishing? Many textbook authors are genuinely motivated by a desire to shape a field and to excite beginning students. But beyond that, as Willie Sutton said of bank robbing, that's where the money is.

3. Scholarly or academic. The heart of any academic's publishing life will be the scholarly publishing community. Most scholarly publishers are university presses, particularly in the United States and Canada. Beacon, Island Press, and the New Press are unusual not-for-profit publishers with trade book lists. There are also important not-for-profit scholarly publishers, those connected, for example, with museums—the Metropolitan, the Getty, and so on. But there are other scholarly and scholarly-trade publishers in America whose readerships and author pools overlap with those of university presses.

For most of the past century, scholarly publishing has been devoted to exactly what the term describes, scholarly publishing. The term monograph persists as a description of the kind of book published by a scholarly press. Not that many years ago, a scholarly house might refer with pride to the monographs it was about to publish. "Monograph" isn't a term heard quite so often these days, but that doesn't mean that this kind of book is no longer crucial to learning and research.

A monograph, forty years ago as now, is a specialized work of scholarship. All university presses continue to offer some monographs, and some commercial houses have found creative ways to publish them, too. Monograph publishing is about hardback books at high prices, marketed to a few hundred key purchasers, most of which are libraries. Generations of scholars were trained to produce their first monograph, and encouraged to seek its publication. The most traditional academic publishers continue to support the monograph as part of their publishing programs. For three decades the death of the monograph has been repeatedly proclaimed, but the monograph may have merely been napping. Digital technologies are transforming the means of producing and disseminating the monograph, giving new life, or its cyber-equivalent, to works too specialized to sustain traditional printing methods. A first-rate monograph in renaissance literature, published by a leading university press, might enjoy worldwide sales of four hundred copies. The publisher may find electronic paths to other readerships, but there is no magic cursor pointing to an easy solution. Fundamentally, the number of people who need to know about maritime law in the 1620s is an inelastic figure. The first-rate monograph tells that inelastic readership something they want to know because they need to know it and are willing to pay to learn.

4. Reference. Like "textbook," "reference" is a term that can be used too loosely. Your book on Brecht might be so detailed that it could act as a frequent reference for theater historians. That is, people will consult your long and thorough index and bibliography. You might think your project would make "a handy reference," but that doesn't make it a reference book. Let's distinguish hard reference from trade, or soft, reference. Soft reference may show up in bookstores or at a discounted price from an online bookseller. There are lots of soft reference books, from paperbacks on spelling demons to handy manuals on repairing sink traps. *The Penguin Guide to Recorded Classical Music* is soft reference, as is, on a more scholarly note, The New Princeton Encyclopedia of Poetry and Poetics (at 1400+ pages it's soft, but heavy.) In other words, things you might buy, usually in paperback, and keep around the house.

Traditional, printed dictionaries and encyclopedias were at one time the heart of hard reference publishing, and librarians are their key purchasers. The very largest reference projects are often cooked up by the publishers themselves or by "packagers," basically independent companies that think up big or complicated book projects and take them as far as a publisher would like, even all the way to printing them.

Reference publishing has long ceased to be about physical books alone. Reference works continue to appear in traditional printed form, but many are also accessible electronically—on CD, on a publisher's subscription-based Web site, in the databases of online aggregators, and in formats and combinations bound to expand our understanding of what "information" and "book" will mean in the twenty-first century. Despite the experiments and advances of the last decade, discussions of electronic publishing today still recall some of the excitement of the first manned space launches in the 1960s.

5. Self-publishing. The prefix "self" speaks volumes. Friedrich Nietzsche took the text of Beyond Good and Evil into his own hands and published an edition of six hundred copies. In recent years, corporations have self-published manuals and other projects for their own use. Some business bestsellers, like The One Minute Manager, began as self-published projects, and went on to sell millions of copies. Sophisticated packagers are available to help the ambitious writer move an idea to market without knocking on the doors of trade houses.

For writers of academic nonfiction, however, the siren call of self-publishing drifts forth not from the offices of book packagers but out of the Web. In the Age of the Internet self-publishing is easier than ever. Create your text, build a Web site, slap up your document, and voilà. You're an author with a work only a few keystrokes away from millions of readers. Putting one's work on the 'Net is always an option, and while it has been pooh-poohed by serious scholars, trends in the culture of publishing are bringing about a rethink of these attitudes toward electronic dissemination. There will be more in this book on

the subject of electronic publishing, but for now let's say that print publication remains the dominant form of scholarly communication and the basis for almost all professional advancement.

Once one isolates self-publishing, there are four broad categories—trade, textbook, scholarly, and reference. For most academic writers, the principal choice is, of course, "scholarly." But the neatness of the categories conceals the messiness of most publishing houses. Some houses, like Norton, have trade and textbook divisions. Others, like Palgrave, have trade and academic divisions, including Bedford Books, an imprint that specializes in anthologies and other materials for course adoption. Random House has a small reference division, but it's primarily a trade house. And many trade paperback houses see their books go into classrooms in large adoption quantities—think of all the Penguin paperbacks you've assigned or used in courses.

If publishing houses are sometimes messy organizations, some books really do fall into more than one category. The Encyclopedia of New York City is genuinely a reference work suitable for public collections, and a trade book that can be sold to individuals for home libraries. So is that venerable vitamin pill, Strunk and White's The Elements of Style. Books can also change category over time. Take, for instance, Toni Morrison's Beloved. Like every work of literature taught in a classroom, this novel began as a trade book, but has moved up the cultural scale to the status of "modern classic," now earning money for its author an publisher because it has become a widely adopted text. Tony Kushner's Angels in America and Michael Frayn's Copenhagen made meteoric transitions from play text to adoptable text. Like Beloved, these very writerly works also became teaching tools. Like the tiny proto-mammals scurrying about in depictions of the Cretaceous era, university presses may be the most versatile, and resourceful, of all publishers. A press like Columbia, for example, produces a reference program alongside a more familiar list of academic titles, and a selection of trade offerings. A small university press may highlight one or two general-interest titles as its trade offerings in a given season. Oxford University Press publishes a vast list of specialized scholarship, as well as a distinguished list of reference and trade titles. (Oxford's scope is so broad that it even has a vice president for Bibles. As a professor once said to me, Oxford signed up God as an author in the seventeenth century.) In a single season, a university press might offer a trade book on gardening, the memoir of a Holocaust survivor, a study of women in African literature, a workbook in Mandarin Chinese, an illustrated atlas of dams and irrigation, and the twelfth volume in the collected papers of Rutherford B. Hayes.

A word of caution: authors sometimes make the mistake of presenting their work as a combination of trade, scholarly, and reference, with a dash of text thrown in. You can understand the motivation—the all-singing, all-dancing academic book that might appeal to every segment of the market. But publishers are wary of authors who claim too much for

their progeny, and marketing departments will be skeptical of the proposal that envisions a book for student use that will also be of interest as a trade hardback. No editor wants to take on a manuscript with multiple personality disorder.

This brief map of the publishing world is meant to demonstrate the range of publishers that exist, and the kinds of works they produce. But the point is to help you focus on what it is you're writing, and how to match it up to who's out there.

8.3.   Speaking with an Editor

In a publishing house, an editor may do a number of things. An acquisitions editor is the person with whom you'll first come into contact, since this is the person with the primary responsibility to recommend projects for publication consideration. Some houses call this position sponsoring editor or commissioning editor.

Beyond that, your acquiring editor (the person you will quickly come to call "my editor") may line edit your book. Even if this doesn't get a thorough line editing, the acquiring editor will need to make decisions about your manuscript that can include cutting big chunks out, insisting you rethink parts, or requiring you to add something you've never thought of before.

If this weren't confusing enough, many publishing houses establish rankings within their organizations that assign different job titles to acquisitions editors at different salary or seniority levels. Some houses have adopted rankings for editors that mirror the academic distinctions of assistant, associate, and full professor. You may find yourself reading a letter from an assistant or associate editor, or perhaps someone whose title is simply editor. Don't be distracted by this. The person who has expressed interest in your work is the first person with whom you want to bond, whether or not she has been promoted to the highest ranking at her press. Obviously, there can be advantages to working directly with a very senior editor. But if you find yourself chatting with the associate editor for politics don't sit there wishing you could meet the real politics editor—it's likely you already have.

A manuscript editor or copy editor will be responsible for correcting style and punctuation, and may raise questions about clarity and intention. Sometimes a piece of writing will be subject to only the lightest cosmetic adjustments, while other times the manuscript will be substantially reworked. Once, manuscript editors were housed in a publisher's offices, but increasingly manuscript editors work freelance, and are managed by someone in-house. *The manuscript editor will be the person responsible for querying anything unclear or missing from your text. You, however, who are responsible for the final version of your book.*

A *developmental* editor is not an acquiring editor, but may be assigned to an important project, lending the author or volume editor crucial assistance. Developmental editors are common at textbook houses, but are rare in other branches of book publishing. Sometimes development means taking a chaotic project and organizing it, while in other cases development might mean taking on myriad details (such as permissions and illustrations) for a complex volume initiated by the press itself. Authors who have heard about developmental editors sometimes wonder aloud why the press can't provide one to help them through the last rewrite. But a developmental editor's time is precious, and those work hours will be committed only to projects for which the publisher sees the possibility of significant return.

You might also work with someone described as a *line editor*. A line editor is someone who, as the title suggests, combs through a manuscript line by line, not only reading for sense but listening for rhythm and euphony as well. You might even get some fact checking thrown in. Though line editor and manuscript editor are closely related job titles, a "line edit" is frequently reserved for trade books. Line editing is expensive.

A managing editor usually oversees copy (or manuscript) editors, and sometimes supervises further elements of the production process. Managing editors manage not only the copyediting process, but much of the scheduling your book will require. Increasingly this means that the managing editor must juggle the schedules of freelance copy editors, proofreaders, and indexers while keeping an eye on the printing schedule. The managing editor will likely not manage the acquisitions editors, however.

Different kinds of editors perform different functions. All, however, are grouped under the editorial umbrella of a publishing house, which embraces two functions: acquisition, or signing books up; and *manuscript development*, or making them better. Some acquiring editors spend all their time "editing a list"—that is, bringing in projects—and no time developing or enhancing the author's words. A specialized monograph publisher may operate this way. More commonly, acquiring editors both bring in projects and, perhaps selectively, spend time on detailed shaping and rewriting. On the other hand, a developmental editor may spend all of her time on shaping a manuscript, and have no acquisitions responsibilities at all.

8.4. Adventures in Marketing

Editors like to think that editorial is the brain that drives the publishing house, which is true as far as it goes. Marketing, then, is the muscle that moves the ideas. It has to be smart muscle, too. Marketing departments may include two large spheres of responsibility—promotion (sometimes also called marketing) and sales. In some houses, sales is split off into a separate department. Broadly speaking, marketing will embrace promotion,

publicity, advertising, sales to chains, sales to individuals, book clubs, subsidiary rights, and translations—all the ways in which a publisher brings your book to its readers and brings in cash. If you are publishing with a small house, you may have the luxury of calling one person who is responsible for all these marketing activities. At larger houses, however, you may need to bond with several different staff members. This is a thumbnail sketch of what they do.

In publishing parlance, *advertising* is the placement of expensive print ads in newspapers and magazines. There is little agreement among publishers about what advertising does, other than make the author and the author's agent feel better, and demonstrate that the house is capable of spending money on ads. Advertising promotes the author's book and the publishing house itself.

Many people in scholarly publishing doubt that advertising sells books, or that it sells them in as cost-effective way as direct mail or by having the author lecture widely—and compellingly—on the subject of his latest book. It is not uncommon for scholarly publishers to devote less of their marketing resources to print advertising than they might have even a decade ago. Nevertheless, almost all scholarly houses still buy advertising space in journals and conference programs, if less frequently in magazines, and more rarely still in newspapers. Every author thinks his book should be advertised in *the New York Times* Book Review. Every publisher crosses her fingers hoping the Timeswill review the book, thereby promoting it more effectively and more cheaply than an ad could hope to. Hardly any scholarly book can generate enough income to justify the expense of an ad in the Times Book Review, where a full-page ad costs as much as a very nice car. What has changed most significantly in the past decade is the proliferation of electronic marketing opportunities. Open your Gmail account and you may find that a scholarly publisher has sent you an e-blast, an advertising page sent by e-mail chick-full of scholarly book news.

Frequently confused with advertising, *publicity* is the "Hear ye! Hear ye!" department of a publishing house. Publicity departments work with radio and TV, and get review copies and press releases out to the media. Publicity departments are also responsible for parties and tours, though in most scholarly publishing houses all but the most modest parties are reserved for the biggest books of the house's season. So, too, are tours. Sometimes publicity departments will be able to work with an author to support an event, for example, arranging for a local bookstore to sell copies of the author's latest when she is giving a guest lecture on campus. But big publicity—getting an author on *Oprah*, for example—is difficult work, and despite the widespread belief to the contrary, a scholar's appearance on a major talk show doesn't translate into overnight success for the author's entire oeuvre. Television book talk has become yet one more endangered species.

Depending on the book, a publisher may put very little effort into publicity. Little can be

done to interest the media in, say, a work of descriptive linguistics. On the other hand, most scholarly publishers bend over backward to find something tasty in the most erudite tome, and with an author of appealing grace, it just might be possible to get a reporter or scout interested in your book on the War of the Spanish Succession.

Like advertising, publicity is an expense that a publisher will undertake for two reasons: to sell the book, and to sell the house. The publisher will certainly want to move copies of your book on bias in educational testing, but if your book is particularly important to the house, advertising and publicity for your book will be an investment through which the publisher can show that it is interested in educational issues, or that it is capable of promoting timely books vigorously.

Publishers often set a limit of some percentage of a book's total anticipated earnings as the amount of money that can be spent on advertising and on publicity. These figures are, however, in one sense entirely fictitious, as the publisher is obligated to spend the specified percentage before the books are even sold. For example, if your book, fresh off the presses, is expected to sell enough copies to bring in $100,000, and your publisher is willing to invest 15 percent of that income in marketing, the book would then have an allocation of $15,000. This sum, however, will be spent early on in the book's life: advance page proof, fliers or brochures, advertising space (often reserved months before the journal or magazine goes to press). If your book sells only half the expected amount, your publisher will have spent most of the $15,000 marketing allocation. It can't be done bit by bit.

This gamble is one of the things that make trade publishing risky. In trade, every book is aimed at the general reader, and so every book should, at least in theory, repay publicity efforts by the publisher. Each pop star biography, each thriller, each diet book or memoir should be strong enough for a lecture tour, bookstore appearances, and photos in the glossies.

Scholarly publishing is a lower-yield industry, but it's also lower risk. In scholarly publishing, the author is writing for a much smaller but more targeted community. Less money is made available for marketing, even if percentages may not be so different from trade. If your scholarly book is expected to generate sales of $25,000 rather than $100,000, and if the percentage allocations remain the same at both houses, your marketing budget would be $3,750. This sum might be enough for a couple of ads (though not in the New York Times), or for several other less visible pieces of promotion. But your publisher is likely to rely on a more complex mix of promotional initiatives: conference displays, targeted fliers to members of your professional association, scholarly advertising, a solus ad (an ad featuring your book all by itself) in a less expensive and less general publication (*the New York Review of Books, the Times Literary Supplement, or the Nation,* for example),

and increasingly a welter of electronic marketing strategies.

Publicity is only partly the result of what your publisher spends and where. Who you are counts. A well-known novelist brings to publication her fame and achievement, a first-time novelist only the enthusiasm of her supporters and her publisher. A scholarly author has something else: she has a field. Whether you are a first-time author in sociology or a senior scholar in the discipline, as a member of the academy you are writing within a defined arena, and that will make it possible for your publisher to promote your work.

In other words, the parts of a scholarly author's network—colleagues, institution, and discipline—are key elements in the promotion of the book. It is fair to say that in the world of academic publishing an independent scholar, or anyone writing serious nonfiction outside the university, may in at least this regard be at a disadvantage.

Marketing departments issue all kinds of catalogues to promote books—ones you see and ones you won't unless you're a librarian or a bookseller. The trade catalogue is a publisher's principal tool for making sales to bookstores. Like countries that have only two seasons, wet and dry, most of scholarly publishing divides its year in half. (Some larger houses now issue three catalogues; their weather is more complicated.) Publishers with two trade catalogues bring out one per season. The fall season usually begins in September and continues through the winter. The spring season begins in February or March, and continues through the summer. Books to be announced in a catalogue must be securely in place at the publishing house up to a year ahead. The book you hope to have published in September will be announced in a catalogue printed the previous spring; the copy for your book will be written during the winter. It isn't uncommon for a house to expect the manuscript to be delivered and through its review and revision process a year prior to publication date. Certain kinds of books can't be well published in certain months. Scholarly publishers avoid launching serious trade books in December, since the outstanding study of world famine won't compete with holiday fare (unsold copies will be returned to the publisher before the tinsel is swept away). It's most desirable to stock textbooks by January or February, since teachers will need to see examination copies in the spring to order texts for fall classes.

To marketing and publicity also falls the task of arranging author tours. If an author tour conjures up images of red carpets, limousines, and chilled champagne, think again. A scholarly author on tour may be staying in friends' guest rooms, speaking in near-empty bookstores, and certainly wondering if there aren't easier ways of selling books. And yet most authors are delighted by the request to make appearances. After all, it means that the publisher thinks this is a book that can reach beyond a core readership.

An author tour can take various forms. Two weeks of travel, flights from city to city, an

author appearance every day, twice a day if possible. The phone-in radio show in the morning, the mall bookstore in the afternoon, the campus speaking engagement just before dinner, a quick stop to sign a pile of copies at the campus bookstore, where your book has the prime window display. All this takes the author's time, and can cost the publisher a tidy sum. At the other end of the scale, the tour might be rather less elaborate. (Do you know anyone in Chicago who could put you up? Do you mind driving there?) If you are publishing a book with a very small house, there may simply not be a budget for any sort of touring. Many scholars overcome the limitations of their publishers' budgets by using their own speaking engagements as book promotion opportunities. If you're going to give a lecture anyway, contact your publisher well in advance to see if a book event might be scheduled around it.

Medium-size and larger academic houses will usually select one or more authors in a season for special promotion. Publishers often make their choice on the basis of three factors:

- The book can sell in quantity in bookstores;
- The book can be reviewed in newspapers, not simply journals;
- The author is presentable.

Some books can be successful without ever selling a single copy in a bookstore. These are textbooks—if you've written one, don't expect to tour. Your publisher will send you on tour only if bookstores think you'll draw a crowd. If bookstores are behind you, chances are your book has enough appeal to garner reviews in the media.

"Will I be getting a party?" asks an author breathlessly, having just turned in his overdue manuscript on the history of childhood illnesses. Publishers throw parties reluctantly. Parties make authors feel good—to which your publisher won't object—but the publishing business is primarily about getting books sold. Unless you can deliver the movers and shakers of the media, or of your academic discipline, your publisher's marketing budget is better spent on advertising and direct mail than on renting a restaurant for catered snacks and dancing. Of course, it might be nice to have a little do for your close friends on campus. Think warm white wine in plastic cups in the faculty lounge. Next question.
Your publisher may budget anywhere from fifty to several hundred "free and review" copies of your book. These are copies on which you will receive no royalties because they'll be given away or used in promotion.

Books are given away to people who may review the book or in other ways do the book some good. A publisher with a book hot off the presses will want to get it as quickly as possible into the hands of the most powerful people in the field. The publisher who has just brought out a book on the ethical treatment of animals may want Peter Singer, for

example, to have a copy as early as possible, in the hopes that Professor Singer will (a) like the book and spread the word; and (b) respond eagerly if a book review editor contacts him about reviewing it.

It's important to remember that book reviews are assigned by book review editors (at newspapers, at magazines, at journals). Since almost anyone could plausibly be a book reviewer, publishers have become hard-nosed about sending out review copies to unknown persons. Your publisher will have an A-list of preferred review sites, and will automatically get copies of your book to the people at these publications and organizations. If your best friend Louise wants to review the book but isn't a book reviewer, don't be insulted if your publisher won't send her a free copy. Louise should try contacting a journal where she might review the book. Chances are your publisher has already put that journal on the A-list and a copy of your book is waiting, alongside hundreds of others, in the office of the journal's book review editor. If not, have that journal send your publisher a request—on letterhead

Remember that promotional copies are not about promoting you.Or about your promotion at State U. Don't expect your publisher to send a copy of your book to your dean or to Betty who typed the manuscript. These are your responsibilities. Your contract will stipulate a number of copies given to you at no cost. Beyond that, you'll be expected to pay for further copies of your own book. (But at least you'll get an author's discount.)

Publishing scholarly books involves several distinct but interlocking activities. Your publisher finds manuscripts, improves them, gives them definitive shape, casts them in physical or electronic form, provides them with good company, tells the world about them, protects an author's interests, sells books, takes in some money and shares it with the author, and tries to do this without going into debt. Publishing is about

- Selection,
- Production,
- Dissemination.

These three goals collide and join up during the publishing process, connecting and dividing departments and staff. The practical work involved might be explained in terms of these activities.

8.5. Selecting the Project

Researching a market for its needs. An editor at a publishing house doesn't simply decide one morning that the history of technology is an area in which to publish. Or if he does, someone at the house will stop him. Before launching into a new field, a publisher

will study the size of the market, the number of competing publishers actively engaged in the discipline, the house's current contacts in this area, and the potential for making a contribution—both in scholarly terms and in financial terms. If the field is one in which the house already publishes, the editor will be able to go on the evidence of recently published books. Did our book on the history of refrigeration do well?

Selecting candidates for publication. An editor entrusted with a commissioning area contacts potential authors and also receives submissions directly from authors themselves. Some editors, particularly at the largest houses, will have the luxury—and the onus—of reviewing hundreds of projects a year. Other editors at smaller houses may spend more time on each of a more limited number of projects. Unfortunately, no editor can consider every project submitted.

Evaluating projects for quality. An editor at a scholarly press has a responsibility to assure that a manuscript meets the standards of excellence set by the house and by the discipline. While a trade editor evaluating a novel will depend on her own expertise and taste, perhaps along with that of colleagues at the house, a scholarly editor usually depends upon the advice of outside scholars. Readers' reports are the most common way of assessing the scholarly value of an academic manuscript. But editors also trust their own instincts and experience.

Assessing competition. Having a good manuscript in hand is only the beginning. An editor will need to make a case that the book fills a market need. And to do that, the publishing house will look carefully at what's out there. Is the competition a recent publication? Does it have similar scope? Is it widely available? Sometimes a book that should be competition isn't (it's poorly marketed) or a book that shouldn't be is (it's not very good, but the author is established and dominates the field).

Budgeting a title. Editorial, marketing, and production expertise will each contribute to the creation of a budget for a book. The house needs to know what a particular project will cost to edit, design, and manufacture, and how much effort and cost will go into its marketing. It is important for authors to understand that even projects intended primarily— or even solely—for electronic publication incur expenses. Paper, printing, and binding— the publisher's trinity of manufacturing expenses—form only part of the costs of making a good idea a published good idea.

Presenting books for approval. University presses and other scholarly organizations usually offer contracts to authors upon the approval of a publication board composed of faculty members. At commercial scholarly houses, the decision to publish will require the approval of someone—it might be a publisher or publishing director or a vice president, or a series of such people, or an internal committee. Securing approval to publish may be

purely an internal matter, but from the perspective of an author, it's a key internal matter.

Negotiating with authors. Having determined what it can do with and for a book, a publisher will offer a contract to the author. The publisher must be fair, the author reasonable. Increasingly, publishers of scholarly books are also dealing with agents, a development that adds another layer of complexity to the process.

8.6.   Making a Book

Editing. Your editor undertakes any of a series of functions to make your book as strong a project as it can be. Copyediting usually takes place elsewhere in the house, and often under the watchful eye of a managing editor.

Design and manufacture. Your book is designed, inside and out, and then manufactured. Trim size, cover design, typeface and layout, the choice of paper stock, the inclusion and selection of illustrations, charts, and graphs, even the color of the binding are all decided by the production department of the press. Authors are not usually involved in design decisions. In the case of monographs, electronic editions usually follow, and replicate, the layout of the print edition.

Marketing and promotional planning. A publisher doesn't take on a project unless it's clear the house expects to be able to promote it effectively and sell the copies it plans to print. Sometimes the marketing plan for a book is fully laid out prior to the book's completion; sometimes this is done just as the book is about to arrive at the warehouse. In any event, book sales don't just happen. Marketing scholarly books more often than not concentrates more heavily on the "invisible" tools of direct mail and exhibits than on advertising. But however the plans are made, good marketing plans involve the author.

Pricing and discounting. The publisher decides how much to charge for the book, and at what discount to sell it. The discount is granted to booksellers and wholesalers, and determines how widely the book will penetrate bookstore markets.

8.7.   Spreading the News

Selling the book A publisher sells a book in many ways: first, by creating the right package (an attractive presentation of the best version of the author's work), pricing it to market, laying out effective marketing plans, and pitching it well to booksellers and to individual buyers. Many publishers are exploring ways to reach former and potential buyers through e-blasts—tasteful messages in your inbox reminding you of new books or author appearances.

Managing subsidiary rights. In the case of most scholarly books, the publisher will manage subsidiary rights on behalf of the author and share the income from these licenses. Basic subsidiary rights for scholarly books include translation into foreign languages, reprint of selections by other publishers, and photocopying. Your American publisher may also license your book to a British house for separate English-language publication in the United Kingdom and the world outside North America. If you publish with a British house, the publisher may elect to license your book to a scholarly house on this side of the Atlantic.

In other words, your publisher is responsible for the life cycle of your book, from its gestation through its selling life until that somber moment when it's put out of print. Publishing a book and watching its life cycle is a bit like having a pet. Every once in a while a book turns out to be a tortoise, destined to outlive its author by many years.

8.8. Why Publishers Exist

A generation ago, few writers seriously believed they could reach more readers on their own than they might by publishing with a traditional book publisher. The Internet has changed all that. As we are endlessly reminded, publishing in the electronic age is undergoing the most important changes in the way it conducts its business since the fifteenth century.

But have the Internet and desktop publishing completely changed the ground rules? It's true that one touch of the Send button can transmit your text to anywhere a computer is prepared to receive it. What you create on a computer can be designed and printed out, even bound up in a way that can come close to what a professional publishing house might manage. Desktop publishing is a thriving industry. Thousands of publications produced annually take full advantage of inexpensive technology, generating just what the author wants and the author's audience may need. Manuals, memoirs, reports, poetry, fiction—anything can be produced in a desktop format.

So why is traditional publishing still around?

- Scholars depend on publishers to validate their work. Scholarly houses do this either by soliciting outside evaluations by expert readers or, in more commercial environments, by adding the author's title to a program already distinguished by excellence in the area, whether or not expert readers have been involved in the selection process.
- Publishers possess the considerable capital needed to develop, manufacture, promote, and sell books.
- Publishers can get books into bookstores, classrooms, and other places readers can be found.

- Publishers select, and the selection process adds value to the works they bring out.
- The Web is proudly impermanent—anything can be changed at any time or deleted completely.

A lot—too much, even—is written about publishing, but when the parties and book prizes and megabuck contracts have been factored out, the industry is essentially about selection and marketing. Publishers choose, and in doing so they make some people very happy and others very much not. Like universities, publishing houses extend their prestige to individuals by admitting them, and draw their own prestige in turn from the people they admit and the work those individuals produce. Knopfwas once a great independent house, and is now the most famous division of Random House, but even Knopf's greatness is only equivalent to the authors it has published.

From an author's perspective, the way publishers select books, taking some on and turning many more away, is a separation of the goats from the sheep. What is less apparent, but certainly as true, is that publishers select books in order to stay in business, and, on a more abstract plane, to determine what the house's identity is. The publishing house selects books through the mechanism of its editorial department and disseminates its books through its production and marketing divisions. But the publishing house is also figuring out, book by book, contract by contract, who it is and what it wants to be.

8.9. Why Do Publishers Choose What They Do?

Publishers select books for several reasons.

- The book will make a lot of money and appeal to many readers.
- The book will only make a small amount of money, but it requires little investment and involves small risk because it fits with other titles on the list and is easy to promote.
- The book is by an author whose presence on the list will enhance the publisher's reputation and so increase the house's attractiveness to other authors and agents, some of whose projects will make the house a lot of money.
- The book is by an author who is already on the publisher's list and whose loyalty will be rewarded.
- The book comes highly recommended by someone on whom the publisher in some way depends.
- The book, flawed or not, is great.

At a scholarly house, there are other, more particular reasons for selecting books. Academic prestige is one. Is the book so strong that it will win awards by scholarly associations? For some houses, this is a distinct and important reason to take a project on. Is the project

likely to become backlist, that is, sell and be reprinted again and again, year after year?

No house will reject without serious consideration a project that is likely to generate an enormous amount of sales income. Surprisingly, there are reasons—even good ones— for not accepting a book with considerable sales potential. Is the work scurrilous? Would its presence on the list alienate a substantial number of the house's authors and staff? Would the acceptance of the work monopolize limited resources at the house, so that the many other, smaller titles on the list would suffer? Every experienced editor knows of cases where each of these scenarios has come into play.

Backlist is a typically odd publishing word. In the publisher's accounting department, all it means is that a published book isn't part of the current year's budget. The alternative is frontlist,which describes the books in the current fiscal year. If, for example, a press's budget follows the calendar year, a book published on December 1, 2011, will be frontlist for just one month, becoming backlist in January 2012. So is being backlist good or bad for you? You want your book to be kept in print by your publisher, and that means you want to become backlist. After all, you've spent so much time writing the thing, and it can't make any money for anyone if it isn't in print. Sometimes, however, an author will worry that the press isn't paying attention to her title any longer. And in most cases, a year after publication, if not sooner, you're probably not going to see any more advertising.

 The author who feels an unsuccessful book's failure is attributable not to the book but to its marketing might be forgiven for thinking that such is the fate of backlist. But when a publisher talks about backlist it's not to describe the unsalable volumes of yesteryear still gathering dust in the warehouse. It's to point with satisfaction at books that continue to sell in some quantity year in, year out. Where most trade houses publish books for immediate consumption, most scholarly publishers take a somewhat longer view, hoping to win the impossible race against time, obsolescence, and insolvency.

Academic publishers need backlist titles to exist. A book, even an indifferent book, will sometimes be accepted because its editor is convinced the title will sell year after year, that is, that it will (it's now a verb) backlist. To backlist, in other words, technically means to sell for more than one year. But in standard publishing usage, it means to keep on selling for three, four, five, possibly ten years or more. Classic works of literature may be the best backlist of all, but few works of serious nonfiction will ever enjoy the sales of The Great Gatsby or The Crucible. Do you think your manuscript has backlist potential? It might if it's the standard history, the ultimate introduction, the revisable overview, the unaccountably brilliant and accessible one-off. A study of market forces in the Philippines probably won't, though. Or the best book yet written on Princess Diana as cultural icon. You may have a view about your book's chances in the longevity sweepstakes, and an author who thinks that his manuscript will sell year after year should say so. Such words charm the most

savage of editors.

The backlist titles that sell year after year are the ones that generate the best income for authors, and not coincidentally pay the advertising bills for this year's frontlist. Such backlist titles can keep a house afloat and permit it to take risks, publishing imaginative but narrower books. The best backlist are those titles that seem to sell themselves because they are simply so useful or give so much pleasure.

Financial pressures in trade publishing have forced the largest houses to emphasize books that will sell very well in their first year, and to pass over projects that will sell moderately well over a number of years. (This generalization may not be true everywhere or for all projects, but as a broad-brush observation on the state of trade publishing, it's true enough.) Scholarly presses operate with less aggressive sales targets. This is in part a function of smaller royalties advances, and in part smaller marketing department overheads. A work of serious nonfiction at Simon & Schuster will be expected to do a great deal more in its first year than a lead book at, say, Cornell University Press. Moreover, Cornell will probably have taken on that lead book with an eye to keeping it in print for many years, and generating sales income from it season after season. This isn't to say that Simon & Schuster won't do well by the book. It may well sell many more copies, and in a shorter span of time. But the two houses' priorities are different, and from that difference emerge two distinct publishing programs.

8.10. Gatekeeping

In the world of scholarly publishing, much is made of the university press's function as gatekeeper. Trade publishers need not be concerned with abstract notions of intellectual quality, since the market's response to what they publish—the "facts on the ground" of publishing—are easily measurable. University presses, on the other hand, take seriously a charge to serve scholarship and the intellectual life of their communities. More to the point, university presses are structured to require a systematic evaluation of projects, title by title, so as to ensure what at any automobile assembly plant would be called quality control. That books are unique products, and not at all like Fords, is the source of most of the anxiety in the publishing biz. How much easier it would be for everyone if a publisher's readers' reports could check with absolute certainty the structure and quality of the manuscript, determining that its rivets were all in place. But the evaluation of a manuscript is an unrepeatable experiment (it's art, not science), even if the same manuscript is read at two different houses or twice at the same house. Readers, the responses of a faculty board, the workload, habits, taste, and energy level of the acquiring editor, all subtly alter the conditions under which a project is read and the report is analyzed.

Publishers of scholarly books and other works of serious nonfiction seek advice in ways

that fiction editors need not. What is being proposed is a work of fact or learned opinion, all tied up with an author's reputation and with it that of the house itself. As gatekeepers, scholarly publishers act to protect

- The reputation of the house's imprint
- The reputation of the other titles and authors on the press's list
- The author's own reputation

Gatekeeping isn't just a matter of turning away projects that don't make the cut. Mediocre scholarly books weaken a press's list and do nothing to enhance the author's reputation. And while a humdrum book on Sung pottery may do little damage to the general reader, a work lending academic legitimacy to racist ideas, for example, is something else again. Scholarly publishers are rightly proud of their role in advancing knowledge, writing history, reinvigorating the classics, challenging received opinions, and promoting positive social change.

8.11. Value Added

Some publishers like to talk about what a publisher does in terms of *added value*. This is just a fancy way of saying that a manuscript is worth more on the market after it's been published—reviewed by colleagues or an agent, copyedited, well designed and manufactured, and then issued under the imprint of a known and respected firm—than it was when it was written or unpublished, or than it would be if you were to self-publish it.

Added value is a nice metaphor, in which the manuscript, practically valueless when it comes from your office printer, gains in luster and monetary worth as it passes from department to department, a sooty Cinderella passed down an assembly line of good fairies. The added value idea is of course at the heart of the *business* of publishing, since by smartening up your pile of paper the publisher can now command a good price for it in the market and share the rewards with you, the author. What I don't like about this metaphor is that it suggests that the author's work doesn't inherently have much value at all. And that puts the priorities in the wrong order.

The value of everything an academic publisher has to sell lies in what you submit. All the publisher can do is burnish your treasure through academic review, thoughtful and attentive editing, design, and marketing, and responsible author relations. While it's true that a publisher is better placed to make money from your work than you are all by yourself, an academic publisher isn't in the business of silk purses and sows' ears. There's probably less value added, in the strictest economic sense, in academic publishing than in other parts of the industry, but that's because you as author are bringing so much.

If you think about the publisher's three main responsibilities you'll see that there isn't much space for making a million-copy bestseller out of a cocktail napkin's worth of diet tips. It can be done, and probably has. That's real added value—but that's not what scholarly publishing is about.

8.12. Books and publishing in Africa

Many African men, women and children have limited access to written material, because of poverty and illiteracy, the absence of written material in languages they know and poor distribution systems. There are great variations with regard to publishing between various countries in Africa, in terms of historical development, readership and market size, printing and publishing technology, and communication infrastructure. These differences, largely, reflect the state of development and the contemporary situation of the individual countries.

Certain problem areas, however, cut across these differences: (i) inadequate access to capital, (ii) the high price of many raw materials, and (iii) the shortage of qualified staff, in particular at middle-level, often lead to (iv) poor aesthetic and (v) physical quality of books, even if significant improvements have taken place in this respect. In addition, (vi) underdeveloped marketing and distribution systems, (vii) the dominance of northern publishers, (viii) inadequate attention on the part of most African governments to book development policies, and (ix) difficulties in export, in particular in intra-African trade, are challenges facing the African publishing industry.

Historically, publishing in Africa is closely linked to European influence on the continent. Historically, book production for Africa was needed in two areas: religion and education. Translations of the Bible and Christian hymns began to be printed around the middle or late in the 19th century. Training material and readers in development-related areas such as agriculture, home economics and civics were published from the 1930s and onwards - some in local languages, some in English and French. State Literature Bureaus were set up in the majority of Anglophone countries from the 1940s. The Bureaus were engaged in the production of general literature and fiction as well as religious and training literature.

The emphasis on primary education in newly independent nations meant that a large market for school textbooks emerged. In the whole of Sub-Saharan Africa the state was the key agent in the provision of books for schools. In Francophone and Lusophone countries the needs were again met primarily by publishers from the former colonial power. In Ghana, Zambia, Ethiopia and Sierra Leone, independence led to the establishment of state publishing houses. Thus, the state, in particular the Ministry of Education took the lead in both publishing and distribution. In Tanzania and Uganda, these firms operated jointly with Macmillan.

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In Kenya, Zimbabwe and Nigeria, foreign-owned firms like Macmillan, Heinemann, Nelson, Longman and College Press established themselves in the 1950s and 60s. In Francophone Africa, the publishing scene continued to be dominated by French publishers such as Hatier, Edicet and Hachette. They had not only the advantage of size, economies of scale, capital and access to low-cost printing, they were also backed by French aid programmes geared to French export books.

In Francophone Africa, local language publishing was also less developed as only French was promoted at all levels of the educational system and in the area of general literature. In Anglophone countries, publishing in local languages of fiction and training literature was encouraged by the Literature Bureaux, particularly in Zimbabwe and South Africa.

The 1970s was a period of flourishing for African literature. Newly established universities served as catalysts for the production of literary magazines, and African literature in English and French reached a world market and became recognized internationally. Most of the prestigious titles were, however, published in France or Britain.

Readership was narrow. Most titles could only be read by the elite who had been educated in a foreign language medium. The vast majority of people living in Africa had no access to books with the exception of the Bible, because of low levels of literacy, few titles in local languages, and poor distribution of the books which existed. For the large majority of readers, literature was only met with in the educational system, and was linked to practical needs or the need to pass exams. Reading for pleasure or general information was not widespread.

In sum, publishing in Africa until the 1980s was supply-driven, except for textbooks, and closely linked to the state or the church rather than driven by a demand from the general public, whose size was in any case small except for the population of primary schools and Bible readers.

Although many African countries have enterprising and experienced publishers at the top level, middle level staff is often poorly trained and there is a general lack of qualified editors (not least in local languages), designers and illustrators. The publishing firm landscape is unstable, characterized by many short-lived, small firms that only manage to bring out a few titles before they fold. A large number of books are consequently of a poor physical and aesthetic quality, and lack essential information like year of publication and ISBN numbers. Storage is expensive and difficult

The links from publishers to distributors are not well developed and serviced. At the same time, marketing is scant which means that too much dead stock is burdening publishers as well as booksellers. Education in Africa is an area of great concern to African publish-

ers, because the publishing industry is textbook dominated. The vast majority of African publishers are involved in textbook production. Around 60% to 70% of all books produced in Africa are textbooks. Most of the textbook production is financed by the World Bank and bilateral donors,

8.13. Book publishing in Rwanda

8.13.1. Background

The first book in Rwanda was written by missionaries when they arrived in Rwanda around 1900. At that time, their correspondence was in Germany as it was the language of the colonial power in Rwanda. However, in order for the missionaries and colonial power to set up schools, they realized that they needed to introduce writing and reading to the people of Rwanda. Thus, selected Rwandans were taught how to read and write Kinyarwanda to assist Arab and Tanzanian servants and soldiers that had accompanied colonial masters and priest to Rwanda. When time came, the few Rwandans who could write and speak Germany, introduced the priest to Kinyarwanda language; hence they started to write Kinyarwanda shortly after their arrival in 1900. The missionaries mainly wanted to teach the new testaments to Rwandans.

After independence in 1962, a number of Rwandans had been educated and knew how to read and write Kinyarwanda. There had already been some books written in Kinyarwanda and many in French as the latter were the last colonial power in Rwanda. Among the books written by the Belgians in Rwanda, there are the following:

1. Priest Hurel E. (1911)-in his book in 1911 named Manuel de gramaire Kinyarwanda, Bishop Eugene Hurel said "How we write Kinyarwanda is how Rwandans should learn how to read and write" about Amasaku He said it is not easy to put rules and regulations. A person reaches after being used and being analytical. He found well writing of Kinyarwanda is to base on phonology, morphology and phonetics. Said "If a person writes how he/she speak writes big mistakes, what he/she writes is not clear"

2. Bishop Schumacher P. (1921-1931)- For him looked at establishing new writing in Kinyarwanda basing on Gihanga based on what a person talks about and understands. "La phonetique du Kinyarwanda" it was published into 6 quarters named "Anthropos" it was written in German, numbers 16,17,18,19,24 and 26 of years of 1921,1922,1923,1924,1929 and 1931. His explanations were of high level using symbols some drawings not spoken in Kinyarwanda like dj,djy,rdjy,bv and others.

3. Bishop Classe L. (1939)- His writing shown principles of writing based in Catholic Church. He said "These writings will be followed after finding them and write in Vikariyati, starting with Kinyamateka from Jarnuary 1939" other religions like prot-

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estants,Adventists,Musilms followed different writings

4. Priest Nkongori L. (1946)- The first aurthor to change the writings of Bishop L. Classe in his book in 1946, "Ikibonezamvugo cy'amashuri yo mu Rwanda"   He wrote differentiating the letter **r** and **l**, **nny for example kunia to kunnya**

5. **Author Priest Kagame A**. (1960)-established writings based on analysis of words. In his Book 1960 named "La langue du Rwanda et du Burundi expliquee aux autochtones" words established by Arch.bishop Classe, analysed by Priest Nkongori, Priest Kagame based on them looking at letters his mission was to write each word basing on its structure. On page 66: i-n-numa---innuma, inmungu-----immungu, on Page 69 in-nyana---in'yana.

All in all, the 1974 is an important year in history of writing as it was the year when rules and regulations were put in place. During the years before that time were years of disorders any one would put his own way of writing. Also in 1939 Arc. Bishop Classe's regulations tried to manage such disorders though not all authors of that time. This proves that the role of the government in establishing writings of books is very important though there are still challenges that needs to be addressed it is important and to have rules that govern the writings by authors.

Educational publishers make up a significant part of the book publishing market in Rwanda with institutions such as the Institute of Scientific and Technological Research (IRST), National University of Rwanda (NUR) and Rwandese Institute of Dialogue for Peace (IRDP) all having published regular work on historical, political and scientific publications in the past. Major international publishers that operate in the country include Macmillan Education and Cambridge University Press. The trade publishing market is scarce with there being a lack of authors writing literature and poetry. Any small local publishing houses focus on niche markets. Editions Bakame, for example, was founded in 1995 and was Rwanda's first publishing house to produce children's and youth literature.

As of 2008, there was a number of printers producing newspapers, magazines and books, most of which are based in Kigali. Publishers of newspapers and periodicals are the most prevalent. There were about 30 media houses in this sub-sector. Alpha Printing Press mainly prints educational textbooks and exercise books for the African Market. Graphic Print Solutions Ltd was among the first modern print service provider in the country. Colors Ltd and Impala Corporation Rwanda Ltd both specialized in large format printing.

The book industry in Rwanda has been crippled by many challenges such as (i) inadequate access to capital, (ii) the high price of many raw materials, and (iii) the shortage of qualified staff, in particular at middle-level, often lead to (iv) poor aesthetic and (v) physical quality of books, even if significant improvements have taken place in this respect. In addition, (vi) underdeveloped marketing and distribution systems, (vii) the dominance of northern

publishers; the same old problems that the book industry faces in many other African countries. Yet, Rwanda has its own special binding constraint.

Low demand for reading materials attributed mainly to the acute lack of the reading culture that is taking its toll on Rwanda's nascent publishing industry. This is evidenced by the fact that the scrapping of value added tax (VAT) on books since 2006 has not attracted buyers for the book, thereby discouraging publishers' investment in books in view of high printing and other costs.

According to local publishers, the demand for other reading materials besides school textbooks has remained low despite extensive reading initiatives by both government and non-governmental organizations. Government tenders for school textbooks are therefore the only way to survive for a number of local and international publishers, accounting for over 80 per cent of their total book sales revenues. Other potential buyers are local non-governmental organizations involved in education as well as a few private schools.

The book industry being a business,

> *"What influences a publisher to work on a particular book is purchase. No sales means no production. So publishers will in all cases target government tenders," said Stephen Mugisha, the head of Rwanda's association of publishers and booksellers union."*

Lack of editors in Rwanda is generally blamed for low reading culture. According to publishers, the reading culture has not grown enough in the past years despite the high enrolment numbers in schools. The market for reading materials has remained narrow with bookshops and libraries only available in a few urban places. Consequently, actors in the book chain decry failing investments…

> *"Without government tenders for textbooks, we have no business," said Emmanuel Habarurema of Mountain Top Publishers. "Any market where a publisher can be able to sell 5,000 copies within three months is a good market, but there are instances when selling a single copy becomes a problem, and we incur high printing costs," he added.*

Market prices indicate that of every copy sold, 10 per cent of the sale goes to the author while 25-30 per cent and 30 per cent go to the seller and the publisher respectively, along with tax and other costs. In 2014 Save The Children's Literacy Boost program conducted a baseline assessment of the community component of revealed that many Rwandans would be willing to spend 5000 Frw on reading materials on average, publishers said, given the costs involved it would be difficult to produce content for this clientele. "It would

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require that the cost of producing a book stands at around 1,500 Frw. Yet, if only sales could reach thousands of copies…"

There is a general opinion among publishers that unless government comes up with a deliberate policy and incentives to support the bourgeoning and largely incapable local players, the poor performance of the sector could still impede the aspired growth of the reading culture.

In general, the book industry in Rwanda has seen many attempts and investments that need protection and support if it is to grow beyond what it is today. It requires a set of interventions that target many areas of the value chain.

8.13.2. A SWOT analysis of the book chain

Strength	Opportunity
- GoR has invested in institutions (RALC, RDB, CNLG…) and technologies (Internet, and IT infrastructures) - Quality books sell, given the widespread use of languages (English and French) and higher numbers of educated youths. - Education enrollment rate has significantly increased - Rwanda has one vernacular language: Kinyarwanda, but speaks 4 languages (English, French, Swahili and Kinyarwanda) Weakness - Publishers' reluctance to digitize books/ content - Content is sitting in the cities (Kigali, Musanze, Rubavu…) - Publishers expect GoR to fix the market - Poor distribution network - Unskilled actors (writers, publishers and editors) flock on the market	- The digital era offers many opportunities to cut the printing costs - The internet penetration offers many opportunities to access a wider market - Rwanda has powerful content (writing about our resilience, our stories as persons, communities and a country…)

Opportunity	Threats
• The digital era offers many opportunities to cut the printing costs • The internet penetration offers many opportunities to access a wider market • Rwanda has powerful content (writing about our resilience, our stories as persons, communities and a country…) • Rwanda is a success story that every country in the world wants to more about	• Piracy • High production costs • Lack of competent editors • Underfunded publishing houses delivering poor quality • Over reliance to the textbook market • Low reading culture

8.13.3. Way forward

Three areas of intervention need critical, strategic and targeted policy actions:
1. Establishing strategic coordination and development of the book chain
2. Building the interest of the readers
3. Allocating investments in the book chain where there is high transformational impact

The book industry in Rwanda is special because it is different from other sectors of art. It already has visible potential that need just to be developed. This is because many non-Rwandan nationals write many books about Rwanda and there are young Rwandans who have started to write successfully.

Writing successfully is different from making a living out of writing; it is writing a quality book, both content wise, aesthetic and physically attractive book. This type of writing also happens to be the first step toward making a profit out of writing activities. Publishing industry starts by having good editors who can help many beginner writers to come up with good content. Publishing houses also need skilled technicians to produce quality books. Third, publishing houses need wide distribution networks in order for them to sell.

Taking into consideration the history of publishing in Africa and in Rwanda in particular, having compiled a list of challenges facing the book industry, it is clear that there is a need for a policy approach to developing the book industry in Rwanda. A national book policy would strategically regulate, coordinate the book chain and build the interest of local readers.

According to UNESCO, a National Book Policy is a coherent set of regulations and indicators set by the national authority to govern the development, production, printing, distribution and dissemination of books and other reading materials, with the aim of

promoting a reading culture. UNESCO even proposes models of such policies. The backing of the highest national authority is essential since it is not only a question of the allocation of sufficient resources, but also of giving official status to the book policy to ensure that it will be implemented.

Each stakeholder has a distinct and specialized role.

Figure 3: The traditional book chain stakeholders with their distinct roles

AUTHORS these are originators of ideas and manuscripts and the all-important part of the chain. They luck full knowledge of the dynamics of the market and their interests must be secured through legal contracts. They need special training on how to present their manuscripts and secure their interests.

PUBLISHERS/PRINTERS these are the investors and take a big responsibility in ensuring books are produced in the most attractive manner, with the right price and at the right time. They determine pricing of the final product and may need subsidies.

DISTRIBUTORS/WHOLESALER These deal directly with Publishers to bring all publishers' books under one roof to make it easy for bookseller's especially from rural areas to quickly access the stocks they need.

BOOKSELLER A key stakeholder in the book chain as they are the ones who bring books into close contact with readers/users/consumers. They are found in strategic small towns across the country and hence play a critical role in disseminating information to rural schools and institutions.

LIBRARIES/ARCHIVES these are institutional consumers who purchase in bulk and greatly support the sustainability of publishing as a whole. As consumers, they ought to purchase through booksellers. They are key in promoting the reading habit, recording, and keeping titles for research and posterity.

USERS/CONSUMERS/READERS – These individuals and parents buy to read for leisure or educational purposes. They are key in supporting the publishing industry because they are the very reason publishing exists.

THE GOVERNMENT this is the regulator and responsible for maintaining harmony within the industry through policy. They make laws, provide tax incentives and are responsible for training and supporting reading promotion through school and institutional libraries through budgeting and provision of funds. They support cross border trade and cultural autonomy.

The national book policy regulates how each stakeholder's role contribute to the book chain and provides incentives for each stakeholder group to perform optimally for the growth of the whole industry.

The regulator's mandate among other things are be to ensure:

- The right content (greater indigenous publishing in terms of both content, language and digital formats)
- The right place (accessibility of bookshops, libraries and other distribution channels)
- The right price (an affordable price, given the socio-economic conditions that exist in the country)

The specific objectives of the regulator are to:
- Foster literary creation
- Establish an appropriate legal framework for the protection of authors' rights
- Provide fiscal, credit and administrative incentives for the publishing industry
- Facilitate nationwide distribution and
- Free international circulation of books
- Establish nationwide library networks
- Ensure that appropriate reading books for all ages are available especially for children and the youth
- Train human resources in the different skills involved in the book sector
- Mainstream ICTs as facilitators of literacy acquisition
- Maintain a data base of all books produced for posterity
- Meet the reading needs of learners with different interests and literacy levels

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8.13.4. Implementation matrix

Policy intervention	Target	Indicator	Stakeholder	Time frame/Budget ('000,000 Frw)					Total
				2019-20	2020-21	2021-22	2022-23	2023-24	
									2,370
BOOK INDUSTRY									
Establish the national book and reading policy through the following:	Promote a culture of reading	Number of sensitization campaigns	RP, RALC, MINISPOC, WDA, PSF, RAC, MINEDUC, RDB	50	50	50	50	50	**250**
Carry out campaigns to makes mass access to the book, reading and knowledge strategic tools for development									
Development of a network of community, school and university libraries and documentation centers;		Number libraries and book shops available		30	30	30	30	30	**150**
Facilitate access to the book by readers through incentives to publishing in Rwanda		Number of books sold/acquired		100	100	100	100	100	500
Promotion of writing and editing through the adoption of the edition for all public annual and strategic reports/documents as way to promote edition houses and skills	Promote a culture of writing	Number of public documents edited professionally		50	50	50	50	50	**250**
Introduction of the African and Rwandan literature in academic programs									
Adoption of preference for editing and printing locally to stimulate demand and improve the industry	Promote editing skills and business								
Strengthening the publishing of university productions, scientific research in national and foreign languages;									

Activity	Objective	Indicator	Responsible						Total
Strengthening the publishing of scientific popularization/dissemination works, and children's literature, aimed at young people and children in national and foreign languages.	Promote publishing/edition houses								
Promotion of cultural identity by Encouraging literary creation and increasing the visibility of local in local and foreign languages	Promotion of writing Rwandan literature	Number of publication on Rwandan literature	RP, RALC, MINISPOC, WDA, PSF, RAC, MINEDUC, RDB	25	25	25	25	25	**125**
Promoting book critique and appraisal through the media	Promotion of the book and reading	Number of emissions							
Fostering exchanges between national and foreign authors through international meetings, debates, book fairs, literary events and writers-in-residency programs;	Promotion of publishing	Number of conferences							
Encouraging meetings between authors, and students in educational institutions, libraries and bookstores;									
Integrating the texts of local literature in national and foreign languages in textbooks, extracurricular books, collections: public, youth and children.		Number of books published							
Promotion and protection of authors rights									
Establish or modernize national, sub-regional and/or regional structures to combat piracy and create effective mechanisms to reduce counterfeit crime and piracy;	Promotion and protection of authors' rights	Number of conferences	RP, RALC, MINISPOC, WDA, PSF, RAC, MINEDUC, RDB	80	80	80	80	80	**400**

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Adopt a legal framework (body of laws) that

									125
Ensure that the publishing industry is covered by the relevant legislative and regulatory provisions;	Promotion and protection of authors' rights	1. Number of laws 2. Number of dissemination campaigns	MINISPOC, MINIJUST, RDB, RLRC	25	25	25	25	25	25
Ensure that the legal framework is balanced, that it benefits authors and users and contributes to the development of the publishing industry by defining the conditions for the application of exceptions and limitations;									
Evaluate the opportunity to amend existing national texts in order to incorporate digital and international developments (with reference to WIPO Treaties);									
Establish a national legal deposit system by strengthening a National Library; strengthen the capacities of institutional officials and copyright professionals; raise awareness of the respect of copyright on texts-images and the systematic request for authorization when editorial contents are taken up;									
Implement a legal framework for developing the collective management of rights relating to literary and scientific works.									

Development of legal tools for regional and international cooperation

									250
Encourage regional and international co-publishing and co-distribution ventures, and propose standard model contracts, where appropriate and on request;	Promotion of writing and Publishing	Number of conferences	RP, RALC, MINISPOC, WDA, PSF, RAC,	50	50	50	50	50	50

Activity	Strategy	Indicator	Responsible institution					Total
Promote licensing agreements between African authors and publishers and international publishers;			MINEDUC, RDB					
Promote South-South publishing ventures.								
Strengthen the book value chain (authors, publishers, distributors, bookshops) by setting up the data and traceability system								
Promote the use of International Standard Book Numbers (ISBN) and International Standard Serial Numbers (ISSN) in order to facilitate visibility and accessibility of national works and help publishers ensure traceability of their publications;	Promotion and protection of authors' rights	Number of sensitization campaigns	RP, RALC, MINISPOC, WDA, PSF, RAC, MINEDUC, RDB	30	30	30		**90**
Establish a framework – or develop systems - for the collection and analysis of economic data relating to the publishing industry and facilitate international trade;	Promotion of the book and publishing	Assessment report		25		25		50
Share best practices from countries that already have a database or database platforms.								
Support and incentives								
Implement customs provisions to facilitate imports of book manufacturing equipment and material;	Promote publishing	Level of investments	MINISPOC, RALC, RDB					
Initiate a discussion on regional book distribution mechanisms (support mechanisms versus competition = notion of fair trade);		Number of books exported				50	50	100
Facilitate international book exchanges, especially between countries in Africa;								
Development of a cooperation framework between public education officials and book industry professionals	1. Promote Rwandan Edition and Publishing	1. Number of textbook published locally	MINISPOC, MINEDUC	20	20	20	20	80

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houses 2. Promote skills and technology transfer between local edition and publishing houses and international ones	2. PPD action plan elaborated 3. Number of policy discussion meetings held	, REB, RALC, RAC, PSF, RDB				

8.13.5. Recommendations

Establish the national book and reading policy through the following:

To the government
- Promotion of cultural identity by encouraging literary creation and increasing the visibility of local literature in local and foreign languages (RALC, MINISPOC)
- Promotion and protection of authors rights (RALC, RAC, RDB)
- Strengthen the book value chain (authors, publishers, distributors, bookshops) through preferential procurement of the textbook from local publishers (RALC)
- Promote investments in the publishing industry (RDB, RALC, MINISPOC)
- Promote book and literary review on television to promote the culture of reading (RALC)

To writers and publishers
- Prefer mergers to solo ownership of publishing houses to strengthen the capital position and consolidate the available rare editorial skills
- Invest in skills development
- Promote co-authorship to promote quality writing
- Prefer local content and language to tap into the local market

To readers
- Read a book a month
- Write a chapter a year

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THE MUSIC INDUSTRY

9.1. Definition

Music is an art of sound in time that expresses ideas and emotions in significant forms through the elements of rhythm, melody, harmony and tone.

9.2. Types of Music

A music genre is a conventional category that identifies some pieces of music as belonging to a shared tradition or set of conventions. Music can be divided into different genres in many different ways. The artistic nature of music means that these classifications are often subjective and controversial, and some genres may overlap.

9.2.1. Electronic Dance Music:

Generally referred as EDM, this form of music is produced by DJs who add dozens of tones to a piece to create unique music. You can hear them in clubs or even live, depending upon your accessibility for the same. In the early twenties, electronic dance music was known in the form of Jamaican dub music, the electronic music of Kraftwerk, the disco music of Giorgio Moroder, the Yellow Magic Orchestra and many more(www.giglue.com Electronic Dance Music).

9.2.2. Rock Music:

Originated as "Rock & Roll" in the United States, Rock music has been rocking the world since the 1950s. It is a form of music that started actually around string instruments, but now uses other modern instruments too making it a little difficult to give it an accurate definition. Its loud and strong beats make it popular among the youths. Some of the rock stars who have popularized the culture include Little Richard, Bill Haley and Chuck Berry while rock bands like Pink Floyd, The Doors, Metallica, Nirvana and Megadeth are the modern bands who have taken the culture by storm.

9.2.3. Jazz:

Identified with swing and blue notes, Jazz has its roots both in the West African and European culture. It is said that Jazz is "One of America's original art forms" and boasts a unique combination of creativity, coactions and interactivity. Originating in the late 19th to early 20th century, Jazz has also played an important role in introducing the world to a

number of women performers like Ella Fitzgerald, Betty Carter, Abbey Lincoln and Ethel Waters.

9.2.4. Dubstep:

The use of instruments attracting music lovers for its bass and rhythm, this falls in the electronic music genre. People consider it to be a darker form of music, but since its birth in the late 1990s, this genre has successfully made its place in the industry.

9.2.5. Rhythm and Blues:

Vocalists like Rihanna, Mariah Carey, Beyoncé, Usher and the legendary Michael Jackson have all made it huge in the music industry with their love for this form of music. Originated in the 1940s, this African-American music is a combination of hip hop, funk, dance, pop and soul focusing on themes like relationships, sex and freedom.

9.2.6. Techno:

You may have listened to a number of techno music while clubbing, but it is Detroit techno that is considered to be the foundation of this form of music. Unlike the days of its emergence, the use of technology today has greatly enhanced the quality of techno style music and popularizing it among people day by day.

9.2.7. Country Music:

Another popular genre of American music which originated in the 1920s, Country music has its roots from American folk and western music. It is formed using simple forms of instruments ranging from electric and steel guitars to drums and mandolin or mouth organ. Some very popular country music singers include Shania Twain, Johnny Cash Taylor Swift and Kenny Rogers.

9.2.8. Electro:

A perfect blend of hip hop and electronic music, electro or electro-funk uses drum machine, vocoder and talk box helping it to distinguish itself from another similar form of music, Disco. Notable artists who have been into this form of music include Arthur Baker, Freeez, Man Parrish and Midnight Star.

9.2.9. Indie Rock:

Falling in the genre of alternative rock music, Indie Rock originated in the 1980s and has gradually changed the music industry. After a decade, it also gave birth to a couple of sun-genres in related styles such as math rock, emo, noise pop, post rock and lo-fi.

9.2.10. Pop Music:

"Pop" is a term derived from "Popular" and thus Pop Music is known to be a genre of popular music. With its roots in the rock & roll style, this form can include any form of music ranging from urban and dance to rock, country and Latin. Instruments highly used are electric guitars, synthesizer drums as well as bass and one can listen to this form of music by listening to songs by Britney Spears, Madonna, Beyonce Lady Gaga and of course the "King of Pop", Michael Jackson.

9.3. Customer experience management, a critical ingredient in the music industry

Customer's media consumption has been changing since the advent of the Internet. These novel Internet based technologies or Web 2.0 technologies have had a profound impact on how people behave and consume their time (Shena et al. 2002: Macaulay et al. 2007). Consumers and especially young consumers are looking for new ways to spend their time for example by using tablet computers for reading (Kajalo et al. 2011) and companies are searching for new ways to capture customer attention. Customer experience management (CEM) provides one way to grab their attention. CEM is focused on creating experiences around a product or a service. Schmitt (2003) defines CEM as *"the process of strategically managing a customer's entire experience with a product or a company"* while experience is simply said to be the contact with the product. Besides taking a strategic focus on CEM we can also look into more practical ways or processes to improve CEM performance with different types of online communities. The music industry is fertile ground for this kind of research since it has been keen to adopt new marketing and channels, including online communities (Vaccaro & Cohn 2004) and mobile advertising. Different types of online communities, social web/networking or Web 2.0 applications have mushroomed into hundreds of different ways for consumers to spend their time on social networking (Facebook, MySpace, LinkedIn, Second Life, Habbo Hotel), content sharing (YouTube, Vimeo, Flickr, Slideshare) and gaming (World of War Craft, Sims, Eve online).

Many companies have realized the benefits provided by online communities; however academic studies addressing the topic are still scarce. Still, a significant amount of research has identified how online communities can be used to promote new products

(Kim et al. 2005), generate new ideas for product development (Nambisan 2002) and pro
duce positive brand effects (Thompson & Sinha 2008). However, less attention is given
specifically to the links between CEM and online communities. It is assumed here, that
online communities can increase customer satisfaction, which has in many contexts been
identified as having a direct or moderated effect on firm performance (Anderson et al.
1994).

The Internet is one big online community where users can interact with other users in
digitized form with text, audio and video. Earlier on newsgroups, chat rooms and different
type of bulletin boards were used in text format. Later on, 3D and virtualization technologies
enabled the emergence of the Habbo Hotel and Second Life type of services where
customers use avatars (Hemp 2006: Mäntymäki & Salo 2011). Thus, in this research,
online community is broadly seen as people interacting with help of technology such as
the Internet.

The purpose of this research is to shed light on how online communities can be used
as part of CEM and especially how online communities enhance customer experience
and sales. Case studies detail how music companies in the European countries are
harnessing Facebook, MySpace and YouTube for marketing purposes. This study is
structured as follows: firstly CEM and online community literature is introduced. These are
then integrated with a preliminary theoretical framework, which is then applied to the case
studies. Thirdly, the methodology is presented. Fourthly, the case studies are presented
and the results are discussed. The study concludes with a discussion of limitations and
future research areas.

9.4.   Customer relationship and experience management

Srivastava et al. (1999) identify Customer Relationship Management (CRM) as one of
the key processes for a company. Two other processes that contribute to value creation
and shareholder value are Product Development Management (PDM) and Supply Chain
Management (SCM). Later, Zablah et al. (2004) identified five schools of thought with
in CRM) discussion. These different schools are the process, strategy, philosophy,
capability and technology viewpoints. It can be argued that each of the five schools of
thought is needed to effectively manage customer relationships. In here we adopt the
definition provided by Payne and Frow (2004). It states that CRM *"is a holistic approach to
managing customer relationships to create shareholder value".* Therefore it can be argued
that this approach takes account of strategy creation, the multiple touch-points view to
customer and integration of data as well as assessing the performance of CRM activities.
In recent years there have been arguments put forward in different but overlapping
disciplines within marketing on how marketing as a discipline should be approached.
Some of the scholars propose a new dominant logic for marketing focusing on services i.e.
service dominant logic of marketing (Vargo & Lusch 2004). Another group of researchers

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propose that customer experiences (Carù & Cova 2007) e.g. brand experience or online customer engagement experience are what differentiate products based around marketing or service based marketing dominant logics.

It is however, notable that current academic literature and practical management utilizing sophisticated CRM software are not fully aware of experiences as the most central influences on the decisions made by customers. Current CRM systems use past data obtained from different customer contact points but these lack-forecasting capabilities and even if the best of the breed systems have these capabilities the forecasts are inaccurate (Meyer & Schwager 2007). Of course traditional CRM activities and systems are important to actively manage customer relationships but those should be augmented with sophisticated Customer Experience Management systems (CEM) in which e.g. customer interaction with a website or webshop is dynamically modified to customer preferences based on customer data, profiles, click data, cookie data, location data or other customer indicator data that can be utilized to fine-tune contact with the customer to best yield sales.

According to Meyer and Schwager (2007) CEM is in many ways different from CRM. CEM focuses on knowledge of what a customer thinks about the company rather than capturing information about what a company knows about its customer. CEM requires data collection at customer points (search engine data, click data, shopping history) rather than waiting for a customer record to be formed.

There are several competing definitions for CEM but one of the early ones is provided by Schmitt (2003). Even though Holbrook (2007) criticized Schmitt for being more of a consultant than an academic, his view is adopted here. According to Schmitt (2003) *"CEM is the process of strategically managing a customer's entire experience with a product or a company"*. In addition, Schmitt (2003) defines customer experience as "a customer contact with the product or company". Therefore, CEM can be seen as one issue that is part of successful CRM activities.

Managerial attention in CEM on a practical level focuses on ways to improve value and adding experiences whereas on an operational level it is about managing overlapping CEM actions whilst on a strategic level it is about improving overall CEM strategy to gain competitive advantage. The theoretical roots of CEM starts from the work of Pine II and Gilmore (1998) and Thompson et al. (1989) focusing on the abstraction of individual consumer experience. Our study to broaden these ideas was inspired by ongoing research on online consumer behavior research (Agarwal & Karahanna 2000: Gentile et al. 2007: Teo et al. 1999). A number of studies after Thompson et al. (1989) examined CEM in different contexts (Winer 2001: Cruz et al. 2010 for bank industry). Some authors like Payne and Frow (2004) addressed the issue from a management perspective and especially on how to manage multiple channels. Recent studies examined how information technology

(IT) can be used for CEM activities (Novak et al. 2000: Nambisan 2009). Research in IT facilitated CEM focused on website design and role of IT in services (Novak et al. 2000). It should be noted that already by 1999 Jeff Bezos founder of Amazon.com was arguing that providing a compelling customer experience is more important online than offline (Bezos 1999). Still, limited attention is given to CEM in music business and even less researched are the newer Internet technologies applications.

Customers can participate in experience creation in two ways namely active and passive participation. In active participation, a customer is part of the created experience. This is exemplified in a theatrical production when the audience is asked after each episode what is going to happen next and the audience can influence how the plot develops. At the passive end of the continuum the stage play follows a pre- determined path planned by the creative director of the play. Another dimension that can be used to characterize experience is connection with the experience. Two extremes of the connection are absorptive connection and immersive connection. For example, when customers are watching a film and the connection with the film becomes absorption of that immersion. Basically, whilst we are able to realize what is happening, we are not actively engaged with the experience. At the immersive end of the continuum we can more easily engage with and re- late to the experience. Pine II and Gilmore (1998) presented the ideas of customer experience and later on these were developed to underpin CEM activities and strategies. These are then used as a foundation and synthesized with discussions within online communities.

9.5. Online communities and customer experience management

Online communities center on individuals and organizations which want to share information and interact with each other. Internet technologies such as social media (first introduced as Web 2.0) enable the interaction between consumers using or not using avatars (Hemp, 2006). Many of these online communities focus on user-generated content (UGC), which is the key for successful interaction between users (Gangadharbatla 2008). Consumers can post comments on other consumers' profiles, pictures, videos and even music the others have produced.

To-day, consumers do not limit their participation in online communities just to the traditional PC or laptop connections since many of the popular online communities can now be accessed using mobile devices (such as tablet computers, smart phones) and gaming consoles. Online communities studied in this research are Facebook, MySpace and YouTube mainly because music industry companies all over the globe use these for marketing purposes, on a trial basis – in campaigns and as part of their social media marketing strategies.

There is plenty of literature on how to categorize different types of online communities (Armstrong & Hagel 1995: Maclaran & Catteral 2002: Porter 2004: Dholakia et al. 2004). According to Porter (2004) communities can be created by different organizations or by consumers. Maclaran and Catteral (2002) point out that companies create online communities to communicate with their consumers and communities created by consumers are usually independent from companies. Online communities promoted and initiated by consumers can have a range of impacts on companies and the products communities are discussing (Maclaran & Catteral 2002). Negative word of mouth communication can easily escalate into a vicious circle that is hard to break while positive word of mouth is hard to achieve (Hennig-Thurau et al. 2004). Still it is noted that there is some evidence that digital word of mouth creates sales (Pöyry et al. 2012).

Besides looking into who establishes the online community Arm-strong and Hagel (1995) conceptualize communities based around the issues dealt with in the community. Four types of communities were identified. These were communities of interest, fantasy, relationships and transactions. Dholakia et al. (2004) categorize communities as a continuum between network based communities and sub-group based communities. In the former one common interest of many people will provide the reason for belonging to a community and in the latter some individuals have high density of relationships. Common to all of these studies is the fact that consumers have the feeling of connectedness, along with possibilities to interact and thus the group identity is formed.

It is suggested here that the effort required by the consumer (i.e. the amount and quality of work i.e. costs) to participate online communities also influences categorization of social webs. For some online communities a consumer can take considerable time to prepare their profile and other content posted to the service whilst in other services only a little is required to participate within the community. Facebook has over 900 million users in early 2012 partly because it is so easy to join, up-date and is rather user-friendly.

These issues should also be taken into consideration when discussing online communities and especially marketing to these communities. In addition to the effort the social interaction intensity or customer participation (as in Pine II & Gil- more 1998) also varies between communities since in some communities interaction is essential for the community to survive while in others social interaction can be rather passive. Online communities have created digital environments beyond the imagination of the seminal CEM researchers. Online communities enhance offline CEM actions but most importantly online communities enable whole new ways to create new radically different customer experiences.

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9.6. Customer experience management in online communities: Background - distribution, pricing and advertising changes in the music industry ecosystem

The Internet has re-engineered the business, manufacturing, and marketing logics of many industries especially movie, game and music industry (Elberse 2008). More specifically, the Internet has had an effect on the creation and distribution of music (Bhatia et al. 2003). This effect is manifested through three changes in the industry. Firstly music is increasingly created with computers.

This is manifested in emergence of different types of music genres that are centred on digital music. Secondly, and more importantly, music is increasingly distributed in a digital format which is more cost effective than the traditional format, as the dominant production costs of information goods are fixed rather than variable (Shapiro & Varian 1999). To elaborate on this, the music industry supply chain has been very static – consisting of three intermediaries between the creator of the music and the consumer: the record company, the distributor and the retailer (Huang 2005: Bockstedt et al. 2006).

There are numerous independent record labels in the industry competing with the large conglomerates Sony with Sony Music Entertainment, Access Industries with Warner Music Group and Vivendi with Universal Music Group/EMI. Each of these intermediaries between the artist and consumer naturally adds costs and takes a profit, ultimately leading to higher product prices. The Internet has eliminated the need for physical distribution and the retailing of products to some extent, thus decreasing barriers to entry. In this sense the current music industry is much more flexible and dynamic and this has made way for new companies and facilitated the establishment of new business opportunities like Apple iTunes and companies like Spotify. Besides established artists young artists are marketing their music using services like MySpace, virtual worlds and online community live shows.

Thirdly, the consumption of music is changing. Consumers listen to music online via YouTube, share it with friends through Facebook and video clips. They, consume music while commuting or just for fun. These changes have made it difficult for music companies to appeal to, in particular, the younger consumers. Therefore, the music industry has started to make use of digital marketing especially online community marketing practices to address this change of logic and consumer behavior. Next the four cases are presented in alphabetical order.

9.7. Case Study Affiliate

Affiliate focuses on a customer segment that is a bit older than those presented in later cases. In Finland the Affiliate of a European record company produces mainly Finnish pop music for adults. Therefore, for the Affiliate, online communities and social web is not that important a marketing channel due to the difficulties they have reaching their audience via the Internet even though online communities are increasingly attracting more mature users. Nevertheless, the interviewee recognized the importance of digital marketing and identified a number of communities for the marketing of their artists. The company is now planning to initiate online community based artist marketing trials and campaigns. As the interviewee puts it *"The need for the sense of community will not end suddenly, so different communities and social networks will retain their significance in the future. It might not be MySpace or Facebook but some other services instead."*

9.8. Case Study Indie

The Indie employs online community opportunities widely for their artist marketing. As the artists presented by the company are mainly pop/rock/metal music artists, MySpace and YouTube are the most important communities for marketing efforts. 'Indie' is a small independent music company, which was established in 2005 in Finland, and so, from the beginning the Internet has been an important marketing channel. Most of the company's artists have established a profile in MySpace where users can listen to the band's songs.

Furthermore, Additional in- formation about the band is provided in the profile. Tour dates and other material e.g. ringtones and wallpapers are also offered for fans and those who have just accidentally found their profile. On YouTube an artist's Music videos and Concert performances are shown. One of the company's artists gained huge success on YouTube in Finland as users spread the word intensively about the artist's catchy music video and it fast became one of the most viewed Finnish videos on YouTube in 2007. This also led to increased record sales for that particular artist. In future the company has plans to use Habbo hotel in marketing their artists targeted at younger music fans. Habbo hotel attracts circa 200 million users of which 11 million are active Habbo hotel customers (Mäntymäki & Salo 2011).

9.9. Case Study: Europe

Europe is a Scandinavian music company. Their artists represent mainly pop/rock/metal music genres. They also use online communities for their artist marketing and have experience of using MySpace, YouTube and the Finnish community IRC-Gallery and Aapeli virtual game world. Therefore, a profile on MySpace is created for artists and also in

IRC-Gallery as it is popular in Finland. As with most of the big music industry actors, music videos are included on YouTube. Profiles and uploading of videos to YouTube represent the most important marketing efforts in relation to social web. More specifically, the use of MySpace, IRC-Gallery and YouTube for business purposes is similar to those described in our Indie case. Music companies are looking into social media metrics such as how big audience is attracted by an artist, how many fans have rec-ommended or commented the artist or if they have clicked to their fan pages such as on MySpace.

The representatives of the company pointed out that MySpace is useful for networking and internationalisation activities. Still, in their opinion, there was little sense of community as there was little discussion between the users. However, it was pointed out that the amount of discussion and interaction depends on the community, and it was one of the issues that should be promoted in each community, as Facebook does. In the future this music company plans to further expand social web related marketing activities by exploiting the possibilities of Facebook and Last.fm in their artist marketing. Our interviewee noted that discussion boards in different music focused communities or in the artist homepages, are communities in which users share their opinions, photos from concerts or information about the artist with each other, and those could be harnessed for marketing.

9.10. Case Study: Sony

Sony is a multinational company and its Strategic Business Units (SBU) own numerous record labels worldwide. International artists represented by the company include, among others, Beyoncé, Britney Spears, Kelly Clarkson, Bruce Springsteen and the Foo Fighters. In addition to traditional media (radio, television and print) Sony considers the Inter-net to be an important channel for music marketing. Often the marketing campaign or promotion of an artist or concert tour is first initiated via the Web and subsequently followed up using other media. This is the opposite of the traditional approach. The Interviewee from Sony identified the advantages of digital marketing as including the ability for speedy commu-nication and the ability to quickly update material and communicate with customers that are hard to reach. Other more difficult to evaluate benefits identified in employing online communication were interactivity, cost efficiency and the sense of communality. How-ever, the fragmentation of media and changes in communication behavior of customers has contributed to the exponential increase in the volume of communication consumers are exposed to. This means attracting consumers' attention is a recognized challenge in the music industry.

As usage of online communities for business purposes is a relatively new phenomenon, Sony Corp. has not yet drawn up an overall digital marketing strategy. Due to the rivalry between record labels, the company is reluctant to reveal its precise future strategies. From the marketing point of view however, it is essential to engage with consumers in-

volved in the social communities, i.e. one must understand how a particular community works.

Sony's digital team makes artist specific decisions on which mediums to use for each occasion. The plan is to provide interesting content aimed at different target groups. The interviewee highlighted that through digital marketing Sony aims to bring added value to consumers, making available tools for enhancing communication between the company and its customers, alongside providing a means of self- expression for the consumers.

Advance listening of albums through MySpace have been used for marketing purposes since the early 2008. Usually, for a period of one week consumers are given the opportunity of listening to albums free of charge before the official release date. Sony also plans to introduce a concept called Secret shows, which is already live in the MySpace US. The idea is to promote secret events and sell tickets to them on MySpace. According to the informant, the identity of performers is kept a secret till the actual event takes place – the goal being to match performers to consumers' high expectations. In addition to these marketing actions Sony, along with other major record companies, has negotiated for a service called MySpace Music in which consumers would be able to stream music free of charge. The service would include a music store from where consumers could buy downloads for their personal computers and PDA devices. The intention is to sell music files in MP3 format compatible with most music players. As tracks sold through iTunes are only compatible with Apple's iPod devices, MySpace Music might prove to be a prominent competitor for iTunes, as well as other legitimate music distribution services.

In 2008 and early 2009 the popularity of Facebook sky rocketed in many countries and Sony's marketing efforts in Facebook were still in the test phase. The company has created 'Become a fan' pages for its artists and searched for means to increase the number of members involved in these communities. Facebook offers the potential to carry out carefully designed ad campaigns, since advertising can be targeted according to users' age, sex and interest areas. For example, if users' favorite music is reported in their profiles or they are members in some fan communities, an advertiser can use this information when designing a targeted ad campaign. However, Sony has not initiated massive campaigns to market to the fan communities it founded. Instead, the company has monitored how the number of members develops without making a big financial investment. The interviewee pointed out that they have faith in word-of-mouth marketing taking place between consumers.

Besides, the official marketing campaigns and plans employees at Sony also use their personal networks to carry out viral marketing actions. One of these marketing actions is to use Facebook to transmit messages about interesting artists to their friends and business partners. Often times these messages include links to artists' MySpace website

and videos uploaded on YouTube. The informant noted; *"Sony regards viral marketing as an easy and cost efficient way to market artists in online communities."*

The Encouraging strategy illustrates how customer experience management (CEM) can be used to migrate customers from low customer participation and similar individual effort to expand their involvement without increasing associated costs. Companies can use CEM to make participation more entertaining and reward customers for participation such as by giving digital gifts or additional services or material available only to members of the online community (connectivity/content) in question. Firms can also tap into the degree of customer participation with CEM by providing entertaining and informational content to be distributed in the community. Giving tools to customers to create their own content around a brand is also effective (e.g. launch campaign of BMW-1-series on Facebook). For a company, the encouraging strategy leads to a fan or customer who is a more active community participant and who attempts to be socialize with kindred spirits from their online community. This leads a customer to focus on connecting and keeping up with these connections in the online community. Customer participation from a managerial point of view thus increases the possibilities for providing meaningful and engaging online content that ultimately can be targeted for sales when such as when tickets for concerts are sold to special interest clients first.

Smoothening strategies illustrates how CEM can be used to migrate customers from the low and high customer participation classes and from low individual effort to an expanded individual effort. Companies can use CEM to make the individual effort more rewarding by providing higher status within the community. For example, LinkedIn offers those with full personal profile or paid account more options and interaction possibilities. Some online communities like Twitter and Dell Ideastorm show how many times user has posted or commented on some ideas. By making interactions more visible users are more actively participating. The interesting question from a managerial and theoretical point is why smoothing is important? The reason is that if customers are more involved as in creating content, participating in discussions or commenting on recent gigs they are less likely to be attracted by competing brands of other bands. Thus, smoothing could be an attribute for a strong brand relationship.

9.11. Growth trajectory of the music industry in Africa; a glance in other industries. Case study Nigeria.

Nigeria has a very vibrant popular music scene that has come to reflect her cultural richness, and over the years this has translated into international recognition. With her huge population of over 150 million, the country offers a domestic market large enough to sustain and ensure the commercial success of most artistic endeavours, hence most popular artists fashion their music towards domestic needs. This is reflected in language

use where emphasis is laid on the use of regional languages with appropriation of indigenous cum traditional styles of music while subscribing to the use of modern music production and performance technology.

Based on her musical and cultural output, Nigeria has once been described as 'the musical heartbeat of Africa' while being perceived as a stronghold for African popular music (Servant 2003: 5). Franknel, in introducing Nigerian popular music in the *Rough Guide to World Music* asserts 'In terms of cultural output Nigeria is unrivalled in Africa, with hundreds of studios, thousands of performance venues of all sizes and countless artists and performing groups throughout the country' (2006: 288). Modern popular music in Nigeria has strong roots in the existing traditional music practice and culture while its development and modernization has occurred through needs, contacts, foreign influence, religion, governance system, the economy as well as urbanization among other factors. These amalgamations reflect the dynamic nature of culture coupled with the incorporation of newer ideas, values and lifestyles from the West (Falola and Heaton 2008: 6).

The urban centers (predominantly Lagos) provided an enabling environment for the conglomeration of all these factors resultant of which is the origination and conception of many popular music genres which now have become identity markers for the country. These include ; jùjú, afrobeat, fújì, gospel, reggae and hip hop among others, producing musical icons of international recognition like Fela Anikulapo-Kuti, King Sunny Ade, Osita Osadebe, Sikiru Ayinde Barrister, Lagbaja! and Femi Kuti. Also the new and younger generation that has taken to hip hop genre like P-square, 2Face Idibia, 9ice, D'banj, Eedris Abdulkareem, Ruggedman as well as the contemporary neo-soul artists like Asa, Nneka and Bez among others.

The Nigerian music industry in the last ten years have witnessed great impetus and its vibrancy has been widely reported within the African continent and beyond. According to the award winning producer/artist ID Cabasa, „Our music is sounding better and itⱢs up to international standard, likewise in lyrics and content, we are growing in terms of acceptance...[and] in Africa we are the best, [while] in terms of music video we are growingⱢ (Interview 2008). This vibrancy is also reflected in the recognition of works produced by Nigerian artists on the international scene. Femi Kuti won the „African Artists of the YearⱢ at KORA Music Award in 1999 and has since received three Gammy Award nominations till date. The feat at KORA was repeated by the duo of P Square who won the African Artist of the Year at the 2010 edition in Ouagadougou. 2Face Idibia has been a multiple award winner from MOBO Awards to MTV (MAMA) Awards capping it with Best Selling African Artist at the World Music Awards in 2008 and BET African artist of the year in 2011 (with D'Banj). The 2014 MTV (MAMA) awards also witnessed a lot of recognition for Nigerian acts with Davido capping artiste of the year and best male artiste and Tiwa Savage as best female acts among other Nigerian awardees.

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The music scene have also witnessed a rapid increase in terms of international collaborations within the last couple of years ranging from studio to stage as well as business alliance. Notable artists that has graced the Nigerian stage with home-grown artists in the past includes R Kelly, Joe, Beyonce, Nas, 50 Cent, Missy Elliot, Jay-Z, Sean Paul, Akon, Fat Joe, Snoop Dogg, Wyclef Jean, Kirk Franklin and Donny McCulkin among others. 1 However, despite these display of musical vitality, overtly international presence and success there still exists an underpinning argument as to whether there is a music industry in Nigeria that caters for the myriads of its talents and players. And if there is actually an industry it is apparent that it needs a lot in terms of standardization based on the concerns and expressions of its stakeholders.

Music industry defined:

The music industry takes care of all aspects of the music business and has different organizations and outfits working together for a common goal which include the artists, composers, managers/talent developers, the media, live music promoters and distributors among others. „Industry" occurs where there is commercial exploitation of a product or item which often go through the basic chain of production, marketing, distribution and consumption (of the product) that can also include services. The music industry can be situated within this theory as the apparatus coming together for the responsibility and facilitation of music production, commercialization and consumption in various formats either physical, digital, live or in any other multimedia forms.

According to Wikstrom 2009:49 'the musical industry consists of those companies concerned with developing musical content and personalities which can be communicated across multiple multimedia' while the industry strongly relies on the models of creativity, reproduction, distribution and consumption in order to function (ibid:49). Khaleque-Abdul believes the music industry is a relatively new modern concept denoting the '...non-physical aspect of music... [where] sophisticated communication technology of the modern age is now being used for recreating and preserving all kinds of music... It is in this context that... music as an industry... [was] developed [where] the potential[s] of modern technology can now be fully exploited by persons engaged in the... industry" (2003: 44). Negus situates the music industry as functional within the culture and entertainment industries and encompassing components of professionals working towards commodification of music within the paraphernalia of multimedia like „recordings, video, films, televisions, magazines, books, and via advertising, product endorsement, and sponsorship over a range of consumer merchandise" (1992: 1).

Is there a Nigerian music industry?

Having known how it ought to be, the Nigerian situation poses many puzzles as it looks

almost impossible for an aspiring artist to get a head start in a situation that many industry headliners consider chaotic. To ID Cabasa while looking at the present situation from his economics background:

> *"I don't think we have an industry, for you to have an industry, the industry must be defined, and you must have a structure… a [rallying] point where stakeholders will come together, and there's nothing like that, there is no functional process for an artist… whatever we have [now] is a music scene that is gradually developing to become probably an industry. (Interview, 2008)"*

Describing this situation music consultant/artist manager Efe Omorogbe painted the picture of a present day artist in Lagos thus:

What we have now is a lot of artists with indie [independent] labels run by their cousins, and their mothers, and their girlfriends, and their brothers and their grandmothers and all of that. And the entire business plan in somebody's laptop, he carries it in his bag and hop to his car, and that is the entire business office, no over-heads, no staff, no training, no experience, no expertise, you know, they might have one or two consultants, a PR consultant who doubles as a publicist. They want to record; they hire a producer who works with them. We don't have a proper recording label structure where the company hires producers, where producers sit down and craft music, where you have a proper publishing company, where song writers and composers get some kind of funding and payment for works they have done and whoever runs the publishing outfits starts working with record labels to get materials out for new talents, for old talents, for people to interpret and record and release...we don't have all these kind of specialized structure. (Interview 2009)

While the industry looks as if it is booming due to the number of artists coming out daily with their videos on MTV and other media outlets, the implication for this straight-jacketed „hustle-based" type of music business practice is the proliferation of mediocrity in music where every artist wants to do the style of music that is „reigning" irrespective of their talent and ability, since there is no exposure to professional advice, while the marketers or distributors who are merely traders now determine the type of music that artists put out and on a larger scale. Retrospectively, the corporate sector that depends on music and artists to drive their campaigns now exploit the artists who, being naive, believe they are getting a fair deal. The more corrupt and disorganized the music industry is the more it is to the advantage of the corporate sector.

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Exit of major recording labels:

With a clearer picture of what obtains at present it is important to examine how the structure collapsed by digging into the past, as the past is often the key to unlocking the fortunes of the future. What could have gone wrong in a city that once had a world class studio built by the famous Ginger Baker in Ikeja.5 Basically now the major problem the industry is facing is lack of proper business structure and government regulation and interest in the sector as obtainable in places like the United Kingdom and America where an artist can be properly mentored through the expertise of a record label that harnesses all other workforce within the industry for the mainstreaming of their act.

This type of structure has helped the development of many well-known Nigerian artists of international repute. In the 1970s for example „the Nigerian recording industry was… dominated by three Lagos-based multi-national recording companies… These companies were Philips, which later became Phonogram, and then Polygram… EMI… and Decca which eventually became Afrodisia" (Okoroji 2009: 17). The 1980s and beyond also witnessed investment into music by local investors like Chief GAD Tabansi"s Tabansi Records, Haruna Ishola's Phonodisk, Roger All Stars (RAS) Records in eastern Nigeria while „CBS Records which had previously been distributed in Nigeria by EMI set up offices in Ikeja [Lagos]…" (ibid: 22).

The above is a picture of what obtains in the music industry that produced artists like Fela, Sonny Okosuns and Onyeka Onwenu (EMI), I. K. Dairo and Ebenezer Obey (Decca), Sir Shina Peters, Adewale Ayuba, and Majek Fashek (CBS Records which became Sony Music), Ras Kimono, Blackky, Oritz Williki, Evi Enda, Mandators, and Femi Kuti (Polygram Records). These were just samples amongst myriads of artists that went through the proper structure from the 1970s to the early 1990s when the structure collapsed. The system of governance/policy in Nigeria coupled with the economic situation contributed in no small measure to the exit of major labels and the incapacitation of indigenous but functioning ones in the 1990s. The Nigerianization policy of the government affected the multinationals while piracy that set in from the 1970s came to signal the end of a proper and structured music industry.

According to Mike Wells, the West African regional director of EMI in 1978:

EMI head office instructions were simple: disinvest as fast as possible. The main problem for all of us was the continual lack of royalty remittances. Moreover the government Nigerianization policies were making life hard for foreign business. (Quoted in Servant 2003: 34)

The exit of Polygram Records from Lagos in 1989 marked the end of the major labels□ operations in Nigeria. According to Femi Kuti who was once signed to the label „they sold Polygram to Premier. And immediately they left music went down right to the end" (quoted in Servant 2003: 34).

This was the state of the industry that young artists entered in the early 1990s. They met no structure on the ground and most successful acts were already in self-exile in the trend of „brain drain", but there was still a need to diffuse their creative energy and voice their concern about the kind of world they live in. So „devoid of big record labels and incredibly starved for big finances and the latest recording facilities, young men and women all over the country have independently evolved a booming local music industry. With small but effective amplification equipment and personal PCs loaded with the latest recording software… young artists are able to independently cut a complete album' (Ugor 2009: 66).

It should however be noted that music-making in this new age goes beyond cutting an album or getting your music heard as it is becoming a whole digital, multimedia and entertainment fiesta around the world, in which case the Nigerian artist seems to be losing out due to lack of structured organization, making investment in the business from outside the country akin to financial suicide to a would-be investor. While the young generation of artists that came in with hip hop culture in the 1990s could be credited for revitalizing the music scene with their resilience and do-it-yourself attitude, it looks as if the existing formula cannot cope and catch up with the trend of music on a global level, which is now a technological and digital-driven entertainment industry. Therefore there arises a need for re-assessment, re-organization and re-structuring of whatever scene there is musically.

The Challenges:

The major challenge that the industry is facing stemmed from the exit of the major labels, which marked the collapse of the structure for artists. This collapse can be linked to the decline in the economy which also created piracy and abuse of intellectual property. Piracy has not allowed those that remained to be properly remunerated and it is stifling the artists as well. To Omorogbe, the situation on the ground will remain if the atmosphere is not conducive for a record label as it is the label that forms the skeleton of the recording industry:

"Once you make it difficult for the record label which is the primary unit of the music industry to survive… [the result would be what obtains now]. It is the record label that aggregates all the other factors together, they give the artists a platform, the producers they hire, the song writers, publishing people they contract and deal with, they do the PR, they do the packaging they do the marketing, they do the promotion, they are the ones who hire the photographers to do photo shoot for the

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album, they are the ones who hire the video directors, scriptwriters, dancers and what have you. If you make it difficult for the record label to survive what you have is what we have now, utter chaos! (Interview, 2009)"

It is indeed clear now that that the major challenge is piracy as it is the only cancer eating deep into the entertainment industry where dearth of proper labels have been observed. Now we have a proliferation of amateurs as the industry is unattractive to big time investment because at present „the importance of the [music] industry in the least developed countries is made more difficult by its informal and unquantified nature the availability of sales data reflects the interest of international recording music business, which continues to see these countries [like Nigeria] as potential consumers and not producers" (Kozul-Wright 2003: 12).

Perhaps in what looks like a third world syndrome Henry Stobart (2010) observed a similar situation in Bolivia studying effects of piracy, where he observed that the country „provides a striking case study given the almost complete collapse of its large-scale and long established national record industry and exodus of trans-national labels due to effects of piracy" (p.30). The challenges and problems associated with the Nigerian music industry can be grouped under three categories discussed below followed by an attempt to look at some possibilities for the future growth and development of the industry.

Copyright issue and the informal music marketing system:

Piracy has been described as the insidious animal activity that threatens musicians" livelihoods, musical creativity and production of culture" (Stobart 2010: 29). Piracy I believe exits everywhere there is a musical activity and commodification, though at different levels, but in Nigeria it is practiced with impunity and utter openness. Linking this with intellectual property issues Omorogbe also agreed that piracy is the major problem the industry is facing:

"Piracy in the sense of bootlegging of physical copies, piracy in the broadcast medium where people exploit your work commercially without paying for the use of such materials, piracy at the level of corporate organizations exploiting your music commercially or using same to drive advert campaign and not paying the right owners, has made it difficult for legit [imate] business people to survive (Interview, 2009)."

Tony Okoroji traces the roots of piracy in the Nigerian music industry which he termed a „cancer" to the 1980s with the introduction of cassette technology:

"The cassette tape was quietly taking over the major carrier of music, [but] the music industry in Nigeria was slow to notice this development. There was virtually no established facility for the production of legitimate music cassettes. Yet there was a huge demand for them. While the industry ultimately reacted, the pirates had moved in long before… [and a] pirate version of every successful release on vinyl appeared in the market sometimes even before the official release of a record. (Okoroji 2009: 23)".

This tradition continued with the introduction of optical technology for music dissemination in the 1990s which made piracy even easier and copying faster and more accessible as long as you can afford a computer and blank CD-R coupled with appropriate software. Piracy in Nigeria in recent years has risen steadily and peaked at 95 percent level (records and music) in 2006 resulting in an estimated loss of $119.0 million US in the music and allied industries, therefore placing the country under the „watch list" according to the I.I.P.A reports of 2007. [6]

The proliferation of piracy and abuse of intellectual property rights had roots in the void created by the exit of major labels that used to have accredited agents and networks for music distribution. What has come to be known in Nigeria today as „music marketers" came into being to fill the void of what should be a proper distribution channel for recorded works, and now have their business concern situated within the famous „Alaba international market" Ojoo Lagos. These „marketers" were formerly electronics and electrical parts dealers who sourced their wares from China and Singapore, explaining how they rapidly got into the CD replication process while the heart of piracy operation in Nigeria still remains the Alaba market. According to one of Nigeria's popular hip-hop artist Baba Dee:

"[The industry presently]...have a lot of people, some making music, and some stealing music, [and] some trying to sell it. We have the Nigerian spirit, doggedness, aggressive push, we once had a structure… and proper distributing channel, but when the economy in Nigeria took a pinch on everybody the structure disappeared giving rise to marketers filling the space, and when the structure comes [back] they will rightly take their leave. (Interview, 2008)"

This frustration was also expressed by Slam (Udoka Oguamanam), a recording artist who asserted:

"The distribution level in Nigeria is on zero level. Because of piracy, a marketer tells you how much he is going to buy your album and you don't have a choice but to sell it to him because if you decide to handle it on your own, pirates will deal with you and you may end up not getting a dime. They tell you how they want to handle your work, which is not supposed to be so and so we are

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at their mercies. Most of the musical and entertainment organization that are supposed to fight for us are not doing anything. A musician that is a citizen of this country is not supposed to pay a TV station or radio for his songs to be aired but some of us want our songs to be aired to get signing deal to recover what we have spent. (Quoted in Meze 2009)."

The issues of piracy, copyright and intellectual property abuse are all intertwined and deeply rooted in the present distribution system that favours Alaba market while the artists and all associated with the entertainment industry keep losing money. The way artists are losing money from physical piracy is the same way they lose revenue from media houses, telecom companies and public places that use music in Nigeria without proper licensing.

Lack of official government policy and enforcement:

The Nigerian government is yet to have any efficient official policy or proper way of enforcing policies to protect the intellectual rights of artists. This might not be unconnected with the fact that the government is yet to see the viability of the music and entertainment industry as a sustainable sector for revenue generation. The I.I.P.A. (2007: 351) observed that „there is little enforcement activity in Nigeria, and cooperation between government agencies to implement and enforce the law, including law enforcement, is sparse and erratic". There exists the Nigerian Copyright Council (N.C.C.) but the sale of pirated CDs, DVDs and VCDs is still going on unabated while Alaba market remains untouchable.

The N.C.C. launched the TRAP (Strategy Against Piracy) in 2005 which is supposed to be the effective anti-piracy campaign organ of the commission. One of the components of STRAP is enforcement which the agency hopes to realise „in accordance with the powers of the Commission under the Copyright Act through Anti-piracy raids. Destruction and seizure of pirated works. Arrest and prosecution of offenders" (STRAP 2009). But despite this agenda the author (2009) noticed piracy in full gear at Alaba market where business is booming as usual with display of pirated products in the open. Part of STRAP policy also requires licensing for optical disc manufacturers:

The regulations require all persons involved in the manufacture of optical discs or the production parts; or importation and exportation of optical discs, production parts, raw material, or manufacturing equipment to be registered by the Commission before engaging in such activities. A production licence is renewable annually, while a separate licence is required in respect of each exportation or importation of optical discs, production parts, raw material or equipment. Persons carrying on the business of commercial optical discs duplication, namely, the recording of copyrighted materials owned by others onto recordable optical discs are also required to register with the Commission.[7]

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It is interesting to know that Lagos is gradually becoming a hub for piracy network and production in the West Africa sub region as reported by I.I.P.A. There are… reported 15 optical disc plants that have been in operation in Nigeria, some of which have migrated to Nigeria from Asia and operate to supply Central and West Africa. IIPA is aware of at least 52 production lines capable of producing at least 182 million discs per year. Many of the plants are not licensed to produce any kind of copyright content. Two of these plants (Akina and Nasinma) were raided in June and July 2004, and were raided again in 2006. However, to date there has been no outcome with respect to actions against these plants. This massive over-capacity, plus pirate imports, results in pirate production not only for domestic consumption but also for export (or „take out" as it is called, as people come from all over West Africa to buy pirated discs from the Alaba International Market in Lagos). Pirated product from Nigeria has been found in Algeria, Senegal, Ghana, Zambia and South Africa. (I.I.P.A.

The above trend of events and the increasing growth of piracy and the plants where these discs are being manufactured without proper licensing points to the fact that the efforts of government agencies are inadequate and that a drastic measure is needed to curb and prosecute the perpetrators of these acts in accordance to the law.

Lack of proper understanding of the music industry by artists:

Music practitioners not understanding the intricacies of the music business is a dangerous trend that might hinder the growth of the industry and even destroy any structure that the stake holders are trying to build. Inadequate awareness of issues leads to display of unprofessionalism which make some artists even engage pirates as an avenue of publicity and marketing at times. Lack of awareness about copyright and intellectual property has led many artists to commit blunders they end up regretting. Typical in this line is the trend of some artists selling their master tapes to marketers outright at Alaba for an agreed fixed sum and ending up regretting after finding out their work made huge sales.

Prospects and possibilities

The Nigerian music industry offers a great potential and can yield millions of Naira in terms of revenue for the government and its players if given the right boost and steered in the right direction. It should be acknowledged that great activism has been going on of late by industry stakeholders to try and build a proper structure where people can be adequately remunerated and also attract investors both locally and internationally. Among some recent moves are the efforts of Efe Omoregbe through the „Coalition of Nigeria Music Industy" which included five major associations within the sector that have been engaged in series of activities to sensitize the public and the government on copyright issues. They have organized a series of rallies in Lagos and also instituted „No Music

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Day" for 1st September yearly so people can be aware of piracy and its effects on the Nigerian culture industries.

Great deals of effort have also been exerted through „Copyright Society of Nigeria" (COSON), an association that has been approved by the government to officially act on behalf of artists for licensing and royalties collection. Through its director (Tony Okoroji), the body has been very active sensitising the public towards the dangers of piracy to the economy and the entertainment industry while also pressing for policy change towards copyrights enforcement and punishment for piracy propagators. The most recent move has been a call on government by COSON to shut down Alaba market explaining the fact that:

> *"[COSON]...do not have anything against the people doing legitimate business at Alaba International market but the good people have been tarnished by the criminals in their midst and the market association continues to protect them. While young Nigerian musicians and actors are working day and night to produce great works, these criminals are busy reaping where they did not sow. This wicked act must be stopped to encourage the creativity of our youths who are doing the nation proud (Okoroji quoted in Alonge 2012)."*

Against this backdrop I will enumerate possible actions that still needed to be put in place to complement these efforts towards creating a functional and well regulated music industry (which is in no way exhaustive):

Financial intervention: Intervention of financial institutions in Nigeria through investment in the industry to give it a boost the same way some ailing banks were saved through the central bank's intervention in Nigeria. No industry can survive without funding and the music industry is not an exception.

Policy formulation and enforcement: Official government policy about copyrights and strict enforcement of the same to deter pirates. This will be associated with proper training being given to the law enforcement sector in order to have a proper grasp of the intricacies and interpretation of copyrights law.

Piracy awareness and public education: It is pertinent to create awareness and ensure public education about piracy and copyrights issue. This can come in terms of seminars and workshop and most importantly incorporating it within the school curriculum in tertiary institutions for courses like computer science, law, mass communication, and all creative arts courses.

The issue of proper distribution network: Distribution is a very important aspect for

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any viable industry and where this is lacking it is certain that the survival of that industry is shaky. A proper distribution network is crucial in the Nigerian entertainment industry whereby all labels/artists are required by proper regulation to subscribe to with an accreditation of distributors through government regulation and policy. This can also be complimented with the development, issuance and enforcement of hologram and barcode system of tracking for CDs which will deter piracy.

Creating music database: In order for the country to be taken seriously within the global music economy it is necessary to have a music database/chart system through music distributors and media partners. This will go a long way in opening international markets for artists whereby an artists' worth in terms of record sales can be accessed and assessed officially deviod of estimation, assumption or projection.

The issue of royalties: Establishing a proper avenue for collecting artists" royalties as done in developed countries. This will ensure proper remuneration for artists and go a long way in sustaining the home-grown music economy.

The role of music trade unions: Harnessing the potential of the musicians trade unions towards artist development by collaborating with experts in music to give training/seminars to artists from time to time. Most of the industry's informants see this as a positive move. Facilitating e-commerce and digital music business: There is a need for exploration and development of digital music distribution in consonance with the global trend. This is imperative as the music industry is becoming digital and for Nigeria to be compliant with the digital age, there is a need to explore the possibility of this avenue. However, cognizance should be taken of issues associated with the intricacies of e-commerce in Nigeria which bothers on online safety and curbing internet fraud. This is where government parastatal especially the Central Bank need to come in, as there is no way the economy can move forward in Nigeria if the country is unable to function and participate fully in international e-commerce.

9.12. The appropriation and localization of Hip-hop in Tanzania and the formation of Bongo Flava

Tanzanian Hip-hop and Bongo Flava have received scholarly attention starting with an early study by Pieter Remes (1998), who identified Hip-hop as an important part of youth culture in Tanzania. Other contributions focused on certain aspects, such as globalization and localization, cultural appropriation, youth empowerment, linguistic factors, and regional differences. Alex Perullo (2007), and Peter Mangesho (2003) have outlined the early history of Hip-hop in Tanzania, from its very beginning in the 1980s to the year 1997 and 2003, respectively. Perullo bases his history on "the processes of localization [that] are taking place where ideas, styles and trends from one part of the world are integrated with and adapted to local cultures" (Perullo 2007: 251). In this process of

appropriating globally circulating cultural forms by local artists, thereby making them into something endowed with meaning for their local audiences, the artists' positive attitude and reference to the Tanzanian nation has been crucial (Raab 2006). This derives from post-colonial Tanzanian cultural politics in the context of nation building (Askew 2002). Hip-hop reached Tanzania between 1984 and 1989, when at the end of ujamaa socialism "the socialist practices that limited people's access to foreign music and culture began to break down" (Perullo 2007: 252), and the pre-socialist practice of cultural borrowing from outside Africa was resumed. Music and video cassettes brought Hip-hop images and sounds to Tanzania.

As, at the beginning, these were only available if one had relatives or friends in Western countries, the first to come in contact with them were youth from middle and upper class families. Local rap music took off slowly, the first stage being marked by imitation. Initially, a few youths would perform original English Rap versions with instrumentals being played by DJs in discos and clubs.5 Through this process of imitation, the rappers learned to combine the music with rapid speech and developed a feeling for beats, rhyme, and flow. Slowly, Hip-hop reached wider circles of secondary school students through private exchange and copying of cassettes, as well as through Hip-hop films shown in cinemas (Perullo 2007: 255). Over time, some artists became famous in these circles and the first groups were formed. However, the most vital development that turned Hip-hop music into a popular and even a mass cultural phenomenon required recording facilities, appropriate lyrics in Swahili, and organized promotion.

Swahilization became a powerful trend from the time Saleh J released his Swahili version of Ice Ice Baby by Vanilla Ice in 1991. Although the purist Hip-hop pioneers tried to resist this development at first, they had to give in if they wanted to persist in the game (Perullo 2007: 261). Saleh J's song, which was also the first Hip-hop single on the Tanzanian music market, was about AIDS, a topic many young Tanzanians were concerned with. It laid the foundations for the further development of lyrical content, which to date is dominated by the goal of "educating society" *(Swahili kuelimisha jamii)* and of representing the realities of the lives of the poor, especially in urban environments. This includes exposing the hardships of the poor in Tanzania, warning against dangerous behavior, namely in the context of HIV/AIDS, and calling on the audience to hold up humaneness, even in difficult living circumstances. In that respect, Tanzanian Hip-hop refuses to conform to the US Hip-hop genre, as "much of Bongo Flava does not address the tangible category of 'youth', with corresponding subculture, but the whole of society, as a political leader would" (Stroeken 2005). In the process of Swahilization, Hip-hop spread to more deprived youths who started using it to speak out about their lives, as mirrors of society *(in Swahili kioo cha jamii)*. Often, the lyrics are narrated from a first person perspective, centering on the life experience and world view of the artist. Topics range from the life in shared rented rooms *(in Swahili slang called geto)*, HIV/AIDS, crowded minibuses and corruption,

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to unemployment and domestic violence. Many songs in the mid 1990s were socially critical while there were other meaningful lyrics that celebrated enjoyment, parties, and hanging out with friends, initiating a discourse on new values of the "new generation" in the liberalization era. By 1997, many Rap lyrics were socially conscious and in Swahili, and the artist II Proud became a leading figure of that trend of localization. In his album *Ndani ya Bongo* ('In Dar es Salaam') he exposes inequality and injustice, and challenges state authority with unprecedented directness by defying a policeman.6 For some time, that album set the standard for other musicians, regarding the lyrics as well as the instrumentals, which were produced by Master J (Perullo 2007: 266-7).

In the early 2000s, a debate on appropriate lyrics was going on, which exposed the issues in the localization process. While all artists agreed on the importance of "delivering a message", there was divided opinion on Hip-hop features such as battle and lifestyle, classified pejoratively as "nothing but flava" (Roch and Hacke 2004, Raab 2006). Battle and lifestyle-related lyrics are commonly perceived to collide with the role of artists as educators of society, which is linked not only to trends in the socialist era but also to the long established tradition of song as social-political commentary (Englert 2008: 48).7 Reuster-Jahn (2007) suggests that those 'lifestyle lyrics' gain their meaning in the context of discourses on youth identity by claiming the right to enjoy life the way one prefers. After Hip-hop music had reached the poorer youth, part of this discourse centered on msela8, the Tanzanian version of the American gangsta. This model of the black male rapper has become a global pattern for identification (Klein 2003: 24 ff.). However, in the Tanzanian context, the violent component of this model was rejected. To be a *msela* means to have a hard life, to share the love for rap music and a Hip-hop style of clothing, to greet each other with certain gestures, to speak a certain slang and to smoke marijuana (Hacke 2007: 41). Those masela who are active rappers view rap music as an occupation that promises them a better life and prospect than does education or any other work. However, even though the *msela* featured in a number of Bongo Flava songs, this figure and those who identify with it remained sub-cultural, while Bongo Flava became main-stream.

Artists, producers, promoters, audiences, as well as economic and technical factors have formed Hip-hop music and Bongo Flava in a joint process. Private recording studios were set up in Dar es Salaam from 1990 onwards and by 2002 there were more than fifteen studios in the city (Mangesho 2003: 39).9 Before, recording studios were government-owned and would not record "Western" music. In addition, the new studios, using electronic technology, made recording more affordable as no instruments were required. The cost of recording Hip-hop music was substantially cheaper than for R&B or Jazz (ibid. 42).

However, Hip-hop music would not have achieved its extraordinary popularity in the early 2000s without promotion through private media and live events, which brought about the "Bongo Explosion", as the sudden increase in popularity became known. Since the

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governmental radio did not play Western music, and private radio broadcasting only became allowed in 1993 with the Tanzania Broadcasting Act, Hip-hop music was initially promoted primarily through live shows and competitions. The first such event took place in 1990 at Lang'ata Club in Kinondoni district of Dar es Salaam (Perullo 2007: 256). Performances at sponsored events organized by NGOs for their campaigns followed, as for example, the promotion of condom use for HIV/AIDS prevention. The *Yo! Rap Bonanza* competition, held for the first time in 1991, is collectively remembered as a milestone in the history of Tanzanian rap music, where the best rapper in the country was sought (ibid.: 257 ff., Hacke 2007: 16). The tradition of competitions and awards has since continued, with the national *Kilimanjaro Music Award*10 being the most prestigious of them. More recently, two reality TV shows dedicated to competitive talent search have been launched: Bongo Star Search11 in Tanzania and the East African Tusker Project Fame12. In 2006, Tanzanian Bongo Flava artist Nakaaya Sumari did well at the Tusker Project Fame. She released her debut album Nervous Conditions in 2008; it included the very successful song Mr. Politician featuring the US American rapper M1 from the rap crew Dead Prez. Nakaaya toured Europe in 2009, and Sony BMG offered her a contract as the first Tanzanian musician ever. This was a big story in Tanzanian media over months, even when the deal finally collapsed and no song was produced.13

From the mid-1990s, radio became central for the spread of the new music style. In 1994, Radio One was established as the first private radio station in Tanzania dedicated to entertainment. Its DJ Taji Liundi acted as a driving force for the popularization of Swahili Hip-hop. Not only did he initiate broadcasting of such music on the radio; he also organized talent shows and encouraged youths to bring demo tapes, which he would play in his program (Mangesho 2003: 48). However, Hip-hop made a great leap forward when, starting in 1998 with Radio Clouds FM, further radio stations began to operate. Taji Liundi who had become the managing director of Radio Times FM (founded in 1998) gave a vital push to Hip-hop music when the station played Swahili Hip-hop almost exclusively for two months. He also encouraged newcomers to bring demo tapes to the station where he would play them, and he recalls receiving more than 100 tapes a week. This led to increased attention for this music at other radio stations and the employment of special DJs (ibid.: 51). In addition,

Times FM started weekly talent shows managed by Mr. Liundi, where youths were invited to exhibit their abilities. They had to rap over instrumentals played by the DJs. Studio producers present at those events approached the best performers. A number of artists who later became famous started from there, like T.I.D., Solo Thang, Mwanafalsafa, Sister P, Wagosi wa Kaya and Juma Nature (ibid.: 52). Radio Uhuru, founded in 2000, broadcast the program deiwaka14 which played 100% Hip-hop for two hours every working day. It also started Top Ten charts (ibid.: 50-1). In the new millennium, Clouds FM, which has a larger coverage than Times FM, "probably ruled the airwaves in Bongo Flava

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promotion in Dar es Salaam" (ibid.: 53).15 This station has sustained a very powerful position in music promotion in Tanzania up to now, especially because it is part of an entertainment company active in event organization, radio broadcasting, and discos. While it withdrew from recording after most of the equipment of its Mawingu Studio was stolen in 1996 (Perullo 2007: 262), it launched its TV station Clouds TV in 2010. Television has increasingly become an important channel of promotion as many households now afford buying a TV set. Today, even in poor areas in Dar es Salaam, the forest of locally manufactured TV antennae above the roofs indicates that this medium plays an important role in people's lives and in society.16 This development has prompted the production of music videos. According to Juma4 (2011), the first music videos were produced by Television Zanzibar (TVZ) in 1997 for groups such as Kwanza Unit and Struggling Islanders. Government-owned TVZ, established in 1974, was the only Tanzanian TV station until 1994, and therefore had the equipment for video production. However, the rapper G-Solo recalls that already in 1996, a video clip was produced by the private TV station ITV for the song Leo ni Leo ('Today is today') by his group G's Mob17 (pers. comm. to GH 20.03.2011).18 A few years later, the first video production companies emerged, as more and more Tanzanian musicians demanded the production of music videos. Today, it is nearly impossible to count the proliferating number of video production companies. With three music TV channels and music programmes from almost all Tanzanian TV stations, this medium now plays a crucial role in music promotion.

Swahili print media were also pivotal in spreading Hip-hop music culture from the early days (Mangesho 2003: 62). The tabloids, whose number has remarkably increased since the 1990s, allocate the most space to music and film, usually at least the two central pages of a paper. While they are especially interested in gossip concerning the artists' lives, they also announce events such as live shows and the launch of new albums. Some maintain top ten lists, or conduct award competitions. Critical columns can also be found, although these are more restricted.19 The English press has started to have pull-outs on cultural issues. In the mid 2000s, the magazine Kitangoma (owned by Prime Time Promotions, one of the enterprises of the founder of Radio Clouds FM, Joseph Kusaga) had a clear bias towards Bongo Flava music. Today, there are the monthly bang! and the bimonthly Base magazines which feature all sorts of entertainment. Websites have also been established, where information on crews, artists, songs, and events can be found.20 In 2000, the Hardblasters Crew released their immensely popular song Chemsha Bongo21 (meaning 'think hard'), which became something of a soundtrack for the expansion period. It was the first Bongo Flava song to be played by all radio stations, and managed to remain on rotation for at least two years (Hacke 2007: 24 f.). The early 2000s witnessed the subsequent Bongo Explosion. Bongo Flava was in the air – in streets, shops and minibuses. Hip-hop dressing style became widespread, and a number of male youth plaited their hair. The trend for social-critical lyric content continued. Certain songs, especially by artists such as Mr. II22, Professor Jay, and the crew Wagosi wa Kaya, became the subject

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of conversation and discussion in many settings and contexts throughout the country, and have certainly contributed a lot to Bongo Flava's recognition as a legitimate form of Tanzanian culture. Bongo Flava abounded with creativity: there were experimental beats, a lot of original lyrics, and interesting personalities. The music became accepted by different age and social groups in the country, and was officially acknowledged by the National Arts Council (BASATA) in 2001 (Saavedra Casco 2006: 233). According to their role as social educators and commentators, a number of artists composed songs commenting on the campaign for the General Elections in 2005. These songs reflect the whole range of attitudes present in Bongo Flava, as there were critical ones which tried to raise voters' awareness, while others praised the ruling party's candidate, or made fun of the elections (Reuster-Jahn 2008). As a result of their increasing popularity, individual artists started to profit from their songs. According to Perullo (2007: 268), between 1999 and 2001, several rappers released albums that sold 100,000 copies, which is a great amount in Tanzania. Some toured East Africa, and a few even performed at festivals in Europe. The studios in Dar es Salaam had a reputation for their good work, so artists from Kenya and Uganda, like Kalamashaka and Chameleone, came to produce their songs there. With growing commercialization, the music became to be seen as a means to get rich. Artists were able to buy cars and spend a lot on enjoyment with friends and women. Already in 2007, however, there were signs that this growth was not to be sustained, and differences in the access to the gatekeepers of the music market caused tensions among the artists. The more deprived ones accused their better-off colleagues of trying to control the industry, while the latter ascribed those complaints to jealousy (Perullo 2007: 269).

Most scholarly studies of Bongo Flava were published in the 2000s. The articles aimed at understanding the process of appropriation and localization (Raab 2006, Perullo 2007), and highlighted the role of Bongo Flava in the formation of contemporary youth identity (Perullo 2005). Language choice was important for that process, but also for audience relationship and role negotiation (Englert 2003, 2008), as well as language development (Reuster-Jahn and Kießling 2006). Since the use of Swahili slang is part of youth identity in Tanzania – a person's actual slang repertoire also depending on social background – it has a firm place in Bongo Flava lyrics (Englert 2003, Perullo 2005, Reuster-Jahn 2007, Reuster-Jahn and Kießling 2006). However, the use of slang is not a general rule. While some artists stress the need for being up to date in the use of Swahili "street language" (lugha ya mitaani) as a sign of mastery23, others are flexible in this regard. They only use it in some songs while in others their lyrics are in everyday colloquial Swahili. In any case, Bongo Flava has played and still plays an important role for the spread of youth or street language (Reuster-Jahn and Kießling 2006: 63 f.).

Language is also essential in the way messages are delivered. Perullo (2005) showed that only few artists dare to deliver "sharp messages", notably the famous Mr. II and Prof. Jay, and radio stations tend not to play directly critical songs. However, there are

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indirect ways available to the artists, such as the use of allusions, metaphors, and comic or humour (Perullo 2005, Reuster-Jahn 2008), which are rooted in Swahili and other local Tanzanian cultures.

Two recent articles have concentrated on strategies the artists apply in their pursuit of commercial success. Katrina Thompson (2008) has examined how the internationally successful Bongo Flava crew X-Plastaz, based in Arusha, draw on Maasai imagery in an attempt of "staged authenticity" (MacCannell 1973), when they project to international audiences "images of African traditionalism, authenticity and hybridity, encouraging a touristic Western gaze" (Thompson 2008: 33). Another strategy, examined by Birgit Englert (2008), is used by aspiring artists, called maandagraundi24, in smaller urban centres in Tanzania. They deliberately mix different styles (in Swahili kuchanganyachanganya), and avoid using slang in their lyrics, in order to reach the largest possible audience. Englert (2003) studied maandagraundi in Morogoro, the capital of Morogoro Region. Another study has been presented by Sarah Schabel (2007) on the maandagraundi in Zanzibar, who produce a distinct musical style, called Zenji Flava, which incorporates elements of taarab, a coastal music that originated in Zanzibar in the late 19th century.

Bongo Flava in the recent years

Today, the period of Bongo Flava's continuous rise is over. It now has to defend its position as an important segment of the Tanzanian music industry. Shows do not attract as large crowds as common only a few years ago; a development closely related to consumption of music videos on TV. In addition, musical styles have their ups and downs: the dansi genre, which had been outshined by the rising Bongo Flava for a while, has caught up in airplay and popularity, and new bands have been formed.25 In addition, Gospel music (Swahili muziki wa injili), with famous choirs as well as solo singers, has become very popular. In August 2009, at the long established music shop Mamu Stores26 in Dar es Salaam, almost forty different Gospel audio CDs were on display at a central place on the counter, while Bongo Flava audiocassettes and CDs shared the shelves with dansi and other genres.27 Gospel music is now played for entertainment, even in bars. Like in the early years of Hip-hop in Tanzania, musicians who deem themselves talented now rather try their luck by recording Gospel CDs.

But pressure also comes from media development in the entertainment sector as a whole. Since the turn of the century, popular culture in Tanzania has experienced a powerful trend towards audiovisual material. Not only has TV set ownership increased significantly, but local video film production too has exploded in the last two years. Interestingly, this development kicked off in 2003 with the video film *Girlfriend* that was set in the Bongo Flava scene and starred successful Bongo Flava musicians. Its script-writer and producer Sultan Tamba says that he purposely made use of Bongo Flava's popularity in order

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to attract audiences to his film.28 Currently, a minimum of five Swahili entertainment videos are spurned out per week. Indian, Nigerian, as well as Western films get Swahili translations by voice-over (Krings, forthcoming). A multitude of video libraries have sprung up in the urban centres of Tanzania where videos can be borrowed for little money. In addition, in the urban high density areas (in Swahili called *uswahilini* or uswazi), local video cinemas show a number of films per day for even less. Those films of course compete with music as a pastime. This trend is expressed in the frequently heard Swahili sentence *"watu wanataka ya kuona"* ('people want things to see'). Wananchi Stores, the central outlet of one of the few distributors in Tanzania, has stopped selling audio-cassettes and CDs in 2007, and is now concentrating on audio-visual material only (pers. comm. to URJ 23.07.2009, confirmed 15.08.2010). Clearly, this move is a reaction to the trend towards visual media, while at the same time reinforcing it. Bongo Flava as an industry has attempted to follow this development with the production of music clips, which are played frequently at almost all TV stations in the country. There are three TV Channels playing music videos during the whole day. East Africa TV Channel 5 (EATV5) plays Bongo Flava video clips, music videos of similar style from Uganda and Kenya, as well as Afro-American video clips. This station is broadcasting all over East Africa. Clouds TV broadcasts mainly Hip Hop and R&B from Tanzania and the United States. C2C plays music videos of Bongo Flava, dansi and taarab for a Dar es Salaam audience. Other stations, like TBC, Channel 10, Star TV, Mlimani TV or DTV have daily shows for music videos in their programs. While music videos are important vehicles for promotion, they also add heavily to the expenses an artist has to cover.

With digitalization and the spread of computers, it has become easy to copy music for both private and commercial use. It is also possible to put songs on mobile phones, or share them via Bluetooth. Such pirate services are offered by many stationery shops in urban areas. This critically affects the sale of legal copies and poses a serious problem to the music industry. In this situation of widespread illegal copying, it is striking that the artists put the blame for piracy almost exclusively on the distributors, whom they suspect of producing illegal copies. These accusations have to be interpreted in the context of stereotypes about "Indians" in the country, as distribution is in the hands of a handful of Tanzanians of Asian descent. Their monopoly of course gives them the power to dictate prices, and many artists complain about being forced to sell their master copies below value. Alternatively to selling the master CD, artists can get royalties for every copy sold, which since 2001 have been fixed at 200 Tanzanian Shillings (TSh; equivalent to approximately 16 US cents) for an audiocassette (sold at 1500 TSh30), and 500 TSh for a CD (sold at 6000 TSh). Although the distributors allow them to mark the legal copies with stamp and signature, artists still deem them untrustworthy. In August 2009, the artist AY who is one of the most successful Bongo Flava musicians complained in an interview that sales records are not laid open to the artists (Anonymous 2009). The government eventually made a move to tackle the problem of intellectual property. In 1999 the Copy

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Right and Neighbouring Laws Act was enacted and the Copyright Society of Tanzania (COSOTA) took office in 2001. However, it turned out highly difficult to enforce the copyright law. Private radio stations, for example, are still refusing to pay copyright fees. The artists on their part are sceptical of COSOTA. While they claim that this body is ineffective, COSOTA says that musicians are reluctant to register with them and collect their money. For the period of January to May 2009, almost 24 million TSh for musicians alone were collected from different distributors, radio stations, and clubs (Mfugale 2009). While the national market for Bongo Flava seems to stagnate, expansion is taking place on an East African scale. Tanzanian artist AY frequently performs in East African countries and even beyond. In August 2009, TMK Family in association with Tip Top Connection were on tour in Kenya. The TV channel East Africa TV Channel 5 broadcasts music, especially Bongo Flava and other East African Hip-hop and R&B, to all East African countries. In this regional expansion Swahili is again playing a crucial role, as Kenyan and Ugandan artists are relying on Swahili lyrics in order to access the East African market. Even beyond East Africa, Bongo Flava artists are gaining recognition, and are regularly nominated for the MTV African Music Award (MAMA). In interviews, many artists express their hopes of eventually accessing the US and the European market. Such aspirations are fuelled by news such as Bongo Flava artist Nakaaya having signed a contract with Sony in 2009.

The musical development of Bongo Flava has been marked by a growing mix of styles. These are mainly derived from Afro-American Rap, R&B, Reggae and Ragga. Moreover, there are sub-categories, such as Bongo Crunk, a Tanzanian version of US Crunk, which was initiated by Ilunga Khalifa a.k.a C Pwaa.32 Sharobaro is used as a label for music coming from the Sharobaro and G-Records studios, said to be smooth and smart.33 The songs of that style usually display the alleged luxurious life of the musicians. Another sub-style is called Hadicore. Different to US hard core rap with its aggressive lyrics, Hadicore comprises songs with a strong social message mixed with boasting. A special rhythm based on Ragga especially famous in Uganda and recently also in Kenya, is called Kapuka. TaKeU34 is a style that was created by the Tanzanian artist Mister Nice. It merges Kenyan R&B with Ragga from Uganda and Hip-hop from Tanzania. Finally, there are many musical influences without a label in Bongo Flava music. For example, it is very common to mix some elements of Zouk in Bongo Flava songs, or to add "traditional" sounds like drums or flutes. Elements of Indian music also play a role.

In contemporary Bongo Flava lyrics, "message" including the representation of living conditions, as well as "lifestyle and party" are still important. In addition, love songs have become frequent. The artists project the concept of romantic "true" love, while at the same time singing about infidelity and the breaking up of relationships. This can be seen as a reaction to changing gender roles, as well as a new discourse on social values and growing individualism. Few songs dig deeper into questions of social relevance, and

this is why many people now say that Bongo Flava songs often convey "light message" (ujumbe mwepesi), and that many artists are just too immature to reach the minds of educated adults. The famous Mr. II, now renamed Sugu, who has lived in the UK and the USA, has however recently been elected Member of Parliament in October 2010 as the candidate of the opposition party Chadema, Party for Democracy and Development (Reuster-Jahn 2010). Even though other veterans like Prof. Jay and Juma Nature are still famous and active, they stir up public discussions at lot less than they used to. Probably the most popular Bongo Flava song in July and August 2009 was Pii Pii by the artist Marlaw, which is about a man who got stuck in traffic jam with his car. He calls his wife several times, asking her to be patient and to wait for him. At the end he reaches his nice middle class home where his wife welcomes him. While this song is much about middle class life-style, it also touches on the every day life of ordinary people, as traffic jam is a problem shared by everybody in Dar es Salaam. Another recent rap song, Hip Hop haiuzi – 'Hip-hop does not sell' - by the artist Madee, comments directly on the growing commercialization of Bongo Flava. This song claims that Hip-hop is not successful any more; the cassettes remain on the shop shelves, while Bongo Flava cassettes are shown to be very fast selling.

Economic difficulties, the problem of "promotion", and artists' strategies for success

Many Bongo Flava insiders claim that piracy as well as corrupt practices in promotion and distribution is suffocating Bongo Flava artists. In general, artists have to pay for any activity performed by any person which is considered to promote their careers. Promotion for them means, playing the music in the radio or the music video on TV, broadcasting interviews, writing about an artist or his songs in the print media, or providing access to important persons and institutions. Paying for those "services" is a well established practice that most artists, even those who condemn it as a form of corruption, accept as something inevitable. In fact, Bongo Flava artist Mr. II a.k.a. Sugu blames the artists for having started the practice of bribing themselves in order to outdo their competing fellow musicians (pers. comm. to URJ 11.12.2009).

Radio and TV play is most essential for an artist to become known, and to "get a name", which in turn determines the demand for cassettes and CDs as well as for shows. The artists bring their tracks or videos to the stations personally, usually before they have been released on cassette or CD. Radio and TV presenters act as gatekeepers who decide which songs will be air-played. This is a likely setting for payola, which is defined as "a bribe paid in order to influence a gatekeeper's choice among competing creative products" (Caves 2000: 208).35 In the Tanzanian context, the bribe is often overtly demanded by the radio or TV presenters, which only leaves the artists with negotiating the amount. The payment ranges from mobile phone vouchers to several hundred thousand

TSh, depending on the extent of the service. It must also be noted that such promotion "fees" are gendered, since female artists complain about being forced to pay with sexual services. Probably the most expensive "promotion campaign" are Top Ten competitions. Presenters offer the service to play a song three times per day during some weeks, and then put it on a lower position on the Top Ten list. From there they will move it slowly to the top position, and bring it down again after some time. Further air time during a certain period of time is included.

The practice of such promotion is relevant in the context of the negotiation of culture, as it points to the powerful position of the media as well as individual gatekeepers. Songs are turned into hits by heavy rotation in the media. The song *Pii Pii* by Marlaw, for example, could be heard several times per day in the radio. Of course, presenters stress that they select songs according to quality criteria, and these certainly play a role. A bad song is very unlikely to become a hit, even if it is pushed. However, in a situation where many songs of equal quality are produced, promotion becomes decisive for success. This is also because new artists continuously emerge from competitions or on their own. The practice of payola might partially account for the success of Bongo Flava in Tanzania, as it gives this local music a competitive advantage over music from abroad, such as US-American, or other African Hip-hop and other genres.

Today, the investment into one album has become extensive. Official production costs for one audio track are about 150,000 to 250,000 TSh (approx. 150 to 190 US Dollars), while for a music video 500,000 to 1 million TSh (375 to 750 US Dollars) have to be paid. Media promotion costs up to 300,000 TSh (225 US Dollars) for one song on the radio as well as on TV. At present, all artists agree that a song cannot be successful without a video clip. The total investment for one album, including one music video as well as some promotion could easily reach 4 million TSh (3.000 USD), if "official" prices were to be paid. However, musicians are likely to get discounts when they have a friendly relationship with the person who performs the required service. This is one reason for artists to carefully cultivate their relationships and social network with fellow musicians, producers, presenters and other relevant people.

Key informants36 estimated that only one quarter of all Bongo Flava musicians are making any profit, while three quarters invest more than they get out. The problem is that investments are made piecemeal, and this makes it difficult to stop. There is always the hope that the breakthrough will come with just some more investment which will be small in comparison to what has already been spent. The situation is most difficult for *maandagraundi* who for the most part are jobless youth. However, there are still a large number of such youth who believe in their talent and hope for a promising career if only they could manage to get their songs promoted sufficiently. It is not possible to count them, but the high number of studios in Dar es Salaam which has risen to an estimated thousand,

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may serve as an indicator of the breadth of Bongo Flava as a musical movement.37 For many, the driving force is their hope to establish themselves in the middle class, to build a house and find a wife, have a car, a business, and a big name. Those artists are looking for strategies of how to obtain money to invest in their dream, but also how to reduce costs. Aiming to get discounts resulting from friendly relationships, they try to establish and maintain as many relevant relationships as possible. Below we will examine how social obligations are constructed and strategically used.

When we asked Bongo Flava artists about their life histories and careers we found some similarities and patterns. First of all, their career has often started with the help of their families, at a time when they already had gained some local recognition as artists. Notably mothers support their children, - in most cases sons -, since fathers often refuse to assist in a career as musician. However, family resources are usually limited and can therefore only help with the first steps such as travelling to the city or recording the first song. The families also lay a foundation for the future artists' career by sending them to secondary school and paying school fees. The majority of Bongo Flava artists are secondary school leavers. Another source of help is people who share some history with the artist, for example fellow musicians, former school-mates, or other people coming from the same place or ethnic group. This is especially relevant when artists come to a major urban centre, like Dar es

Salaam or Mwanza. In these environments, social bonds constructed through shared history or group affiliation usually include the obligation to mutually help each other. Such people may help with a room or food, or even with money. From our observation, this form of assistance plays a crucial role.

Most artists have insufficient financial resources to pay for promotion. In this situation they need to establish relationships with people who hold positions in the Bongo Flava industry, such as producers, other artists, promoters, and even secretaries, who they hope will help them. A good relationship with a producer, for example, may result in a reduced tariff for recording. Networking often starts from the place where the artists originate. There they meet with smaller and bigger stars that come for shows from the city of Dar es Salaam. Usually, in those shows the local artists are given the opportunity to perform as opening acts. After the show they will sit together and talk. If the stars have liked a local artist's performance they might encourage him to come to the city and start his career seriously.

The local artist may ask them for advice and exchange mobile phone numbers with them. Contacts made in that way will provide a starting point for him when he comes to the city. Such contacts are the raw material from which the artists seek to build lasting relationships that might eventually lead to some voluntary service in their favour by the respective individual. Establishing a good relationship starts with acknowledging the respective

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person's importance by calling him every now and then, asking how he is getting on. The mobile phone is indeed absolutely indispensable for anybody active in the cultural sector. When we met with musicians or other actors in that field, they were receiving text messages and calls from other musicians in high frequency.

One andagraundi told us that for him, the mobile phone is his office. The space for relationship negotiation is first of all the recording studio, since there are always several artists present. Bars and social meeting places are also important. An andagraundi who really has no money may approach producers and ask for a free recording. If the producer finds him talented he may be inclined to help him, either with a free recording, with reduced fees, or by connecting him to somebody else who might help him. The rationale for helping him with recording has to do with his own name, since, if the song will become a hit, his name will gain fame and increase his business returns. This accounts for the custom to announce the studio and producer in the tracks. Their names, as well as those of others who have been helpful in the production, are usually mentioned in the intro and outro of the tracks. For artists, especially *maandagraundi,* strategies of bypassing the big gatekeepers in order to make deals with the smaller ones are also important. In a recording studio this may involve the secretary who arranges a meeting with the sound engineer. The sound engineer may agree to produce the track for less than the official price outside office hours, and will share the money with the secretary. Such deals also make up common history between the involved parties and start off relationships.

For established artists and producers, relationships with relevant people are no less needed. Here too it is essential to acknowledge and honour their importance. Money is also involved, and one "has to pay for good relation", as one producer told us. The one paying for good relations is not only aiming at a resulting service, but also views this as an investment into his popularity, and hence, his name. Rendering a voluntary service is another means of building relationships. One producer told us that he recorded songs for some artists almost for free when he started his business. This was not only his strategy to make himself known, but it also aimed at building relationships with potentially helpful contacts. This is a case of premeditated volunteerism, "the essence of individual social capital" (Munene 2005: 146). The same producer, who is also an artist himself, told us that artists have to invest in good relationships with any promoter, because, "even if they are not famous, if they are underground presenters - make good relationship with them, 'cause even they can help you and they might come up." The maintenance of relationships is part of the existence as an artist which requires both permanent attention and time. Pointing to the artists' strategic approach to social relationship, however, is not to deny the relaxed and joyful aspects of their social life, the hanging out together as well as their readiness to help each other in difficulties.

Between artists, there are special ways of creating obligations in social relationships. One

artist may help another one by taking him on his tour, or by featuring him in his song. Featuring another artist in one's song or video is direct promotion for that artist, which will pay for him in the form of name, tour engagements as well as album sales. It is also an investment into the relationship, which through an act of reciprocity is hoped to yield some profit in the future. The formation of groups is another strategy and characteristic of Bongo Flava since the beginning. It started from crews mainly formed on the basis of friendship between artists. Larger groups were often attached to a certain area in Dar es Salaam. The East Coast Team from Upanga, TMK from Temeke, Tip Top from Manzese, and La Familia from Ilala are all well known. While starting from the neighbourhood, all of these groups later integrated artists from other areas.

Such groups usually have a leading person or a manager. In the present situation where the demand for Bongo Flava shows has decreased, even larger associations are formed. In 2009, two large groups, TMK Wanaume Family and Tip Top Connection have merged to form TMK/Tip Top. Subsequently, they started to tour all Tanzanian regions and neighbouring Kenya. To form larger groups means that no artists from outside are needed to go on tour. Furthermore, costs for travel and accommodation become relatively cheaper. Problems always come when the gains have to be divided, as the shares depend on the name and importance of each member. Sometimes, members feel that their contribution is larger than their share, or that others get too much. It is therefore very important to have a manager who takes such decisions.

However, in Bongo Flava history, such problems have already caused many artists not only to leave groups, but also to split them off entirely. TMK Wanaume may serve as an example. This group, with their front man Juma Nature and their manager Said Fella, emerged from Temeke district in Dar es Salaam. In 2007, Juma Nature together with a number of other artists left the group because of frictions with Fella, whom they accused of bad management. They started TMK Wanaume Halisi38, while Fella continued with the rest of the group under the name of TMK Wanaume Family.

To summarise, social capital is needed and used to create the artist's name, which in turn is the basis for album sales and profitable contracts for shows. The name correlates with gain size. And the gains are not only to be understood in economic terms. Mkoloni, a member of the crew Wagosi wa Kaya told us that a number of times he got help in difficult situations just because people knew him as an artist. Name and fame are eventually measured in the wealth that an artist manages to acquire. This is demonstrated by symbols such as expensive cars, good clothes, jewelry, and pretty women – symbols related to the US American model of the Hip-hop star. Much is spent in clubs and bars, preferably together with other stars and "superstars". Part of the money is usually reinvested in new songs. However, some people blame the Bongo Flava stars for not using the money for starting other profitable businesses. They like to point to the Bongo Flava stars Lady Jay

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Dee and T.I.D. as models to follow. Both have established their own bands, with whom they perform on regular days per week at specific venues.

Hip-hop in Tanzania gained its momentum from a global wave in the 1990s. Through appropriation and localization it became something like a movement for urban youth, and an important symbol of their identity. The process, by which the globally circulating elements of Afro-American origin were connected to local culture, has been examined in several studies. They highlight the role of Swahilization as well as the discourse on lyric content among the cultural producers and Tanzanian society, and concentrate much on the potential for protest in this music. Our study points to the interdependence of this form of expressive culture with social structures and economic conditions. In particular, it has shed some light on the role of gatekeepers, especially with regard to broadcast and TV stations, where bribing is a common practice. Depending on payment to the gatekeepers, some songs are being made popular through heavy rotation, while others are given less airplay or are denied it altogether. Since studios usually do not engage in promotion, musicians are increasingly forced to find a manager who will help getting their career off the ground. This poses a threat to musicians' independence regarding musical and lyrical choice. It also means that the popularity of a song should not automatically been interpreted in terms of audience preferences, but also as a result of bribes paid to gatekeepers.

Radio and TV stations are not only decisive for the careers of individual musicians, but also for Bongo Flava as a whole. The stations have played a most essential role in the creation of the Bongo Flava phenomenon as such. If they decide that it is time for other genres to gain ground they can trigger such a development as well. Moreover, the enforcement of copyright law is an ongoing struggle in Tanzania and will be very relevant for the further development of cultural production in the country. This points to the complexity and interrelatedness of political, societal, and economic processes through which culture is negotiated in Tanzania.

In our study, Bongo Flava artists have come to the fore in their role as entrepreneurs. As such, their strategies for success are particularly based on constant investment into relationships with relevant people, in terms of time as well as voluntary services and money. This is based on the assumption that acts of reciprocity will occur. We suggest that this strategy is informed by social learning from early childhood. It is difficult to assess its economic effectiveness, since input and output cannot be measured and compared.

However, two problems seem to be connected to that strategy. The artists invest a lot of time and money in relationships and there are signs that some subsequently neglect their artistic development and economic skills. The second problem, however, goes deeper. It has to do with the tension between building relationships for mutual help while aiming at

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individual success. In this context, spending money with friends as well as helping those who need support may be seen as a strategy to soothe possible jealousy, which is perceived as dangerous. At any rate, it results in the accommodation of many principally competing artists in the Bongo Flava network and industry. With continuing commercialization this situation might change. Some key informants are already convinced that some "big names" will remain while many of the smaller ones will drop out. This would, once again, change and modify the character of Bongo Flava music.

9.13. Music in Rwanda

9.13.1. Brief background

The music industry in Rwanda encompasses traditional and modern music, gospel and pop music. Rwandans have always enjoyed music, a fact evidenced by a long history of music starting as early as the Rwandan culture.

Rwandans used music for during their relaxing time, leisure time but also to deliver messages. Music had a big role in the country like in the we have a national flag there are music instruments (During Gihanga Urusengo and During Kingship dynasty a Drum). Music was utilized to teach history and values. Poems reached everyone teaching Rwandan history were in music rhythms then being simple to capture in mind and to deliver or share with everyone.

The Traditional utilized tools were Inanga,Imiduri, Amayogi, Inzogera and Drums. Iningiri and Ikembe were added from neighboring countries (Congo and Uganda). Modern music was brought by colonizers mainly the religious ones (Protestants and Catholics) into missionary centres they started teaching songs and how play music in modern ways such as Gregorian music within Catholics which played big role onto singing after colonization. People created songs that reached the mass people who studied into catholic churches or protestants finding them related with Gregorian style (many songs of Rugamba and others who had sang songs of the church).

During the years of 50 up to the independence time came in Rwanda new singing styles mostly like rock (beatles) which were popular by that time, Rwandans of cities were named evolved loved it and followed it. During the independence period, music was utilized in formulating messages that fought colonizers of kingship. There were many created songs related to ideology of many political parties most of which had genocide ideology. Rwandans had fled into neighboring countries

After independence Rwandans who were in exiles of neighboring countries whenever they turned back home they come with music from those countries of that period. Most

of messages were for the 1st Republic that was in place. Rwandan music during that time up to 70's used to follow the manifestation of that time. During 70-80's and prior to that period, it is when in Rwanda started to have strong Orchestras most of them were made of people who met music from Republic of Congo their singing styles were like Congolese music (like Impala, Makanyaga) and many others. Even if it was like that songs created during that time were composed with a lot of messages that reached hearts of many Rwandans. There were romantic songs, health songs, there were many songs which were cherishing 2nd republic of Habyarimana. During that time there was searching for Rwandan style using modern instruments by Impala, Nyampinga, Abamararungu, Referoze, Les Copains, Amasimbi n'amakombe.

During years of 90-94: During manifestations of many political parties, music was a utilized tool for messages. Orchestres that were popular were of young men like: Ingeri, Inono, Galaxy Band. Old men continued also like: Impala, Nyampinga(sang gospals) and Abamararungu.

Modern music and Gospel music are linked and move together both are made into different styles (zouk, afro, reage, rock, jazz... murazindusha).

Uniqueness of Rwanda is that most of people singing modern were emerged from gospel having passed into quires also into other places having capacities of good voices in R&B. It is found that Rwandan musicians sings through the studios if before 1994 genocide against Tutsi a musician was supposed to be knowing how to sing and play music instruments now it is not necessary. There are the producers who manage everything. The one who do not know how to sing knowing to talk moves to Rap and Hip Hop.

The big challenge in Rwandan music is about the Rwandan uniqueness. Many artists, many songs, they cannot be differentiated from Tanzanians and Nigerians. That is one of the challenges at international market. This goes with the piracy of songs from other singers and this leads to the selling locally only on Rwandan Market. Nevertheless, there are two big types of music in Rwanda, the traditional and modern music. These two types of music can be understood as follows:

9.13.2. Traditional music

Traditional music and dance are taught in "amatorero" dance groups, which are found across the country. The most famous of these is the Ballet National 'Urukerereza', which was created in the early 1970s to represent Rwanda in international events. Also famous were the Amasimbi n'amakombe and Irindiro dance troupes.

Ikinimba is perhaps the most revered musical tradition in Rwanda. The songs tell stories of Rwandan heroes and kings. Different instruments such as ingoma, ikembe, iningiri, umuduri and inanga. The inanga, a lyre-like string instrument, has been played many of Rwanda's best-known performers, including Rujindiri, Sebatunzi, Rwishyura, Simparingoma, Sentoré, Kirusu, Sophie and Viateur Kabarira.

9.13.3. Contemporary music

In the post-colonial Rwanda, popular local bands like Imena, Nyampinga, Les 8 Anges, Les Fellows, Impala, Abamarungu, Les Compagnons de la Chanson, Bisa, Ingenzi, and Isibo y'Ishakwe produced music that was very popular. They took influences from across Africa, especially the Congo, as well as Caribbean zouk and reggae.

In recent years the industry has grown and many names such as Kamichi, Kizito Mihigo, Aimé Murefu, Mani Martin, Tom Close, Urban Boyz, Miss Jojo, King James, Knowless, Dream Boys, Kitoko, Riderman, and Miss Shanel have built their reputation on the local market.

9.13.4. Musicians in Rwanda

With the recent growth in the Rwandan music industry, new opportunities are opening up every day for those aspiring to make a career in music. Experienced and excellent producers are focusing their attention on promoting music in Rwanda. For example, Uganda-based producer Washington has set up a studio in Rwanda. Various singers have had a chance to use his beats in their songs. There are different recording studios in Rwanda that offer affordable rates and offer opportunities to young people with ambitions of joining the music industry. The industry has also benefited hugely from the Primus Guma Guma Super Star festival.

9.13.5. Primus Guma Guma Super Star (PGGSS)

Primus Guma Guma was started and funded by BRALIRWA; it was organized by East African Promoters (EAP) to help grow music entertainment in Rwanda. Season 1 premiered in 2011, with Tom Close emerging as the winner. Unlike East Africa Breweries' Tusker Project Fame and American Idol, where the competitors are relatively unknown artists, Primus Guma Guma Super Star takes well-known Rwandan musicians and makes them compete against each other for the prize money and the opportunity to move their music career to greater heights. With each season of PGGSS, the cash prize has increased drastically, and attention on the event has grown with every passing year. The first season was won by Tom Close, followed by King James, Riderman, Jay Polly and Butera Knowless, Urban Boys and Dream Boys. All the winners went on to becoming star artists

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in Rwanda. Not only winners benefited from PGGSS, but also many contenders used the festival to build their careers, teams, stage performances, supporting audiences as well as their financials. In the eyes of many, PGGSS built the music industry in Rwanda.

9.13.6. Other festivals/awards

There have been other festivals and awards that have built and contributed to the industry; the most notable ones are Salax awards, Tasker Fame Project, Moriah Entertainment Group, Gakondo Group and Hobe Rwanda. These festivals/awards have enabled upcoming artists to grow their talents and enter the market.

Despite the opportunities that artists have had, there are still notable challenges that impede the development and flourishing of the music industry in Rwanda. The most notable challenges are related to skills and the constraints affecting the art sector.

9.13.7. Skills gap

The Rwandan musicians all experience setbacks. The remedy is not to lose focus. Although staying focused is not a technical skill related to producing and/or being a musician, many artists report that this soft skill is key to making a career in music. The technical skills are equally important though. Gaps in these skills have been identified as follows:

1. Limited skills in producing music demo
2. Poor song writing skills
3. Limited stage performance skills
4. Limited crew management skills
5. Limited contract management skills
6. Limited negotiation skills

9.13.8. Sector constraints

Many of the sector constraints are similar to those of the film industry as they both are part of the audio-visual arts. They include the following

7. Insufficient number of song production training schools;
8. Limited investments arts;
9. Inexistent schemes or initiatives supporting emerging talent;
10. High cost of equipment;
11. Low level of production technology;
12. Inadequate investments in research relating to culture heritage;
13. Free access to music by consumers

14. No protection of authors' rights
15. Inexistent royalty collection mechanisms
16. Failure of the artists to bargain a fair share of the revenues collected by radios and televisions that use their art as media content.

9.13.9. Implementation matrix

Policy intervention	Target	Indicator	Stakeholder	Time frame/Budget ('000,000 Frw)					Total
				2019-20	2020-21	2021-22	2022-23	2023-24	
MUSIC									
Promote the music industry through investments in music promotion festivals with specific emphasis on the following objectives: To build the capacity of song writers To train music technicians in production techniques and new trends To train music project managers in agency management techniques of star performers	1. Improve the music production process 2. Build capacity of music technicians	Number of people trained in each cluster	RALC, RDB, MINISPOC, RAC	150	150	150	150	150	750

Policy intervention	Target	Indicator	Stakeholder	Time frame/Budget ('000,000 Frw)					Total
				2019-20	2020-21	2021-22	2022-23	2023-24	**1,280**
GENERAL MANAGEMENT OF ART PROJECTS									
Train artists, technical staffs and managers in entrepreneurship skills related to arts	Build art related business professionals to run successful businesses for increased revenues	Number of people trained in each cluster	Number of people trained in each cluster	50	50	50	50	50	**250**
Train artists and managers in history of arts (all categories of arts)									
Train managers and technical staffs in project elaboration and presentation									
Train managers and technical staffs in project planning and execution									
Train managers and technical staffs in cost									

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Activity	Strategy	Indicator	Responsible						Total
analysis models and techniques									
Train managers and technical staffs in pricing models and techniques									
Train managers and technical staffs in marketing of artworks									
Train artists, managers and technical staffs in planning and organizing an exhibition									
Train artists, managers and technical staffs in business environment regulations (Import/export/IP laws…)									
Collective collection and management of royalties									

MARKETING OF CCI

Activity	Strategy	Indicator	Responsible						Total
Align CCI as promotion channels for products and services by									
Train managers and artists to assess the interests, needs and preferences of sponsors	Promote market driven production and management of CCI	Number of people trained	RALC, MINISPOC, RP, PSF, RAC, RDB	40		40		40	120
Build celebrity capital that enables star artists to benefit from celebrity association to promotion campaigns and advertisement		Number of contract signed	RALC, RDB, MINISPOC, RAC	25	25	25	25	25	**125**
Artists, managers and agents to build brand equity to ensure long term corporate promotion contracts				25	25	25	25	25	125
Conduct regular market research by art Category (music, film, plastic arts…)	Promote evidence based policy actions and business management	Report	RALC, RAC	70		70		70	**210**
Establish market segment and niches for each art category		Number of niches	RALC, RAC		20		20		40
Manage marketing efforts of CCI	Promote evidence based policy actions and business management	Number of surveys	RALC	25		25		25	**75**
Conduct customer satisfaction Surveys by art category		Number of positive feedbacks	RAC						
Build positive image of the art and artists									
Conduct audience preferences and interests mini surveys		Number of surveys	RALC		50		50		100
Assess the market share of local art				25		25		25	**75**

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Activity	Objective	Output	Responsible				Total
Assess the range of consumers' maximum expenditure on art per month, frequency and preference factors (every 2 years)		Report	RALC	30		30	60
Introduce a ranking system by star and genre in all art categories	Improve competitiveness of the industry	Ranking system MIS	RALC	40	40		80
Bi-annually rank stars and genres in all art categories		Report		5	5	5	**15**

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9.13.10.Recommendations for the music industry

The music industry in Rwanda has grown to an admirable extent. However, there is still a long way to go. Hence the following recommendations:

To the government

Legal and policy framework

In the past 5 years, Bralirwa invested heavily in the promotion of music in Rwanda through Primus GumaGuma Super Star Project. With this project, many artists grew and their art talents were nurtured. Many of the winners and runners up of this project became the super stars we have in Rwanda. It is difficult not to recognize the impact of GumaGuma on the music industry in Rwanda. On the other hand, PGGSS revealed weaknesses in music distribution, royalty collection and management as well as music for pay infrastructure.

From the experience of PGGSS, two highlights stand up: on the one hand, there is need of similar investments specifically targeting talent detection and promotion. Hence, it is highly recommended that substantial investments be made in the music industry for the next 5 years. On the other hand, sizeable investments are also needed in the development of infrastructure for music for pay. Online streaming facilities coupled with the mobile penetration rate in Rwanda means that many Rwandans can listen/watch Rwandan music at a fraction of the production cost. If one time listening to music can be charged 1 to 3 Frw, there can be significant revenues generated to cover the investments in the promotion of the industry. Royalty collection and management can as well be reinforced. It is also important to note that this is possible with enforcement of a quotas system for local content. The current 30% of local content is significantly low to have any tangible impact. Given the integration to EAC community, this 30% should be limited to content from EAC plus an additional 50% compulsory quota for local content.

Music promotion

- Build the capacity of song writers to improve the quality of songs (RAC, RALC)
- Train producers in latest production techniques (RAC, RALC, WDA)
- Promote local content through quotas system for all music media outlets (RDB, RALC, RAC, MINISPOC, RGB)
- Enforce copy rights and intellectual property laws (MINIJUST, RNP, RDB, RALC, MINISPOC, MINICOM, RLRC)
- Train artists in stage performance skills along with production skills (RAC, RALC)
- Train music project managers in agency (RALC, RAC, WDA)
- Management techniques of star performers (RAC, RALC)

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- Set up collective royalty collection and management authority (RDB, RRA, RALC, MINISPOC)
- Enforce collective royalty management laws (RRA, RALC, RDB, MINICOM, MINISPOC)
- Set up music streaming platforms with pay services in collaboration with telecommunication companies in Rwanda (RDB, RALC, MTN, TIGO-AIRTEL, MINICT, RITA)
- Invest and promote digital music distribution and protection technologies (RITA, MINICT, RDB, MINISPOC, RALC)
- Invest in performing arts infrastructures (multipurpose art halls) in at least secondary cities (districts)
- To artists
- Promote fan relationship management
- Promote customer experience management
- Promote collective management and collection of royalties
- Associate with media outlets to form a united body for music revenue appropriation

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10   PERFORMING ARTS

10.1. Background in Rwanda

Performing art was a means that Rwandans utilized to express their emotions, Rwandans whenever felt happy they could dance during dancing time it would be means to express messages from their hearts with others.
Since a Rwandan named Rwandan that art was present put into practice through sketch, theatre for example, Intore dancing type Umuhamirizo it would be an expression of how the fight went that one can consider as a theatre that is danced.

The Kwivuga itself would mean to express what someone has done, in short and straightforward unlike speeches then it would be done in an artistic way.

In poesy, they had many different types as it can be described below:
1. Dynasty poesy-Amahamba: The expressions of good things being expressed also if there bad things also being expressed
2. Pastoral poesy-The expression of cows' names being viewed not as usual speeches
3. Heroic Poesy-The expression of heroism work reached

All the above happened since the existence of Rwanda but after words during the period of 15th to 16th Centuries a woman called Nyirarumaga or Nyiraruganzu put things on next level from "Ibisigo to I mpakanizi" that is when they started to create ibisigo.

Looking back in History during years of 1900 when colonialists coma it is when this art had to change and during this time music of Rwandan performance being geographically situated like in Northern province Danced Ikinimba with Gikiga language, Eatern province to find ikinyemera then moving to western finding Igishambo then in centra you find Imishayayo and other related dances moving to nkombo finding there gusama. When the whites come brought their own style of performance and that is when theatre arrive as a new art mainly into missionary schools also comedy was there at King Palace they were people in charge of Comedy named "Batwa" and such comedies would entertain everyone and not make the King bored.

When the Whites come the changes that happened was the form of performance like a person who had passed into itorero performing (Guhamiriz) in Eastern Province you would find him doing it well with others what come new was those theatre and where to perform; it used to take place when people are happy at homes where they danced as well as during traditional parties Igitaramo.

What Changed is how it become a business from colonialism up to 3rdd republic things remained the same but during the 1st and the 2nd republic there was a performance that was stopped like umushayayo calling it TUTSI Performance because of conflict that was taking place.

Intore performance is not an old dance come during the kingship of Rwabugiri after His solders had turned back from Burundi after an attack to Burundi.

When they turned home demonstrated how they won the fight in Burundi through the performance of Intore dance then people started to utilize it, through the same styles the basket was introduced also as one of styles during performances.

The other thing is that the region performance were utilized nowadays there ae modern dances in place where people are organized into choirs and other different groups.
There are now businesses related into performing arts such as:
1. Masters of Ceremonies'
2. Comedians who perform in the concerts
3. All the above show how Rwandans love theatre there are also market presences which are like:
4. Wedding ceremonies
5. Making CDs, Selling on TVs and Cinemas all can bring profits to the theatre creators

10.2. Definitions

10.2.1. Theatre:

Theater is a collaborative form of fine art that uses live performers, typically actors or actresses, to present the experience of a real or imagined event before a live audience in a specific place, often a stage. The performers may communicate this experience to the audience through combinations of gesture, speech, song, music, and dance. Elements of art, such as painted scenery and stagecraft such as lighting are used to enhance the physicality, presence and immediacy of the experience. The specific place of the performance is also named by the word "theatre".

Modern Western theatre comes, in large measure, from the theatre of ancient Greece, from which it borrows technical terminology, classification into genres, and many of its themes, stock characters, and plot elements. Modern theatre includes performances of plays and musical theatre.

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10.2.2.A play

This is a form of literature written by a playwright, usually consisting of dialogue or singing between characters, intended for theatrical performance rather than just reading. The term "play" can refer to both the written texts of playwrights and to their complete theatrical performance.

10.2.3.Ballet performance

It consists of the choreography and music for a ballet production. Ballets are choreographed and performed by trained ballet dancers.

10.2.4.Drama

This is the specific mode of fiction represented in performance. The term comes from a Greek word meaning "action", to do or "to act". The enactment of drama in theatre, performed by actors on a stage before an audience, presupposes collaborative modes of production and a collective form of reception.

10.2.5.Musical theatre

This is a form of theatrical performance that combines songs, spoken dialogue, acting and dance. The story and emotional content of a musical – humor, pathos, love, anger – are communicated through the words, music, movement and technical aspects of the entertainment as an integrated whole. Although musical theatre overlaps with other theatrical forms like opera and dance, it may be distinguished by the equal importance given to the music as compared with the dialogue, movement and other elements. Since the early 20th century, musical theatre stage works have generally been called, simply, musicals.

10.2.6.Comedy:

This is a theatre production that use humor as a vehicle to tell a story qualify as comedies.

10.3. Technical aspects of performing arts

Theatre presupposes collaborative modes of production and a collective form of reception. The structure of dramatic texts, unlike other forms of literature, is directly influenced by this collaborative production and collective reception. The production of plays usually involves contributions from a playwright, director, a cast of actors, and a technical production

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team that includes a scenic or set designer, lighting designer, costume designer, sound designer, stage manager, production manager and technical director. Depending on the production, this team may also include a composer, dramaturg, video designer or fight director.

Stagecraft is a generic term referring to the technical aspects of theatrical, film, and video production. It includes, but is not limited to, constructing and rigging scenery, hanging and focusing of lighting, design and procurement of costumes, makeup, procurement of props, stage management, and recording and mixing of sound. Stagecraft is distinct from the wider umbrella term of scenography. Considered a technical rather than an artistic field, it relates primarily to the practical implementation of a designer's artistic vision.

In its most basic form, stagecraft is managed by a single person (often the stage manager of a smaller production) who arranges all scenery, costumes, lighting, and sound, and organizes the cast. At a more professional level, for example in modern Broadway houses, stagecraft is managed by hundreds of skilled carpenters, painters, electricians, stagehands, stitchers, wigmakers, and the like. This modern form of stagecraft is highly technical and specialized: it comprises many sub-disciplines and a vast trove of history and tradition. The majority of stagecraft lies between these two extremes. Regional theatres and larger community theatres will generally have a technical director and a complement of designers, each of whom has a direct hand in their respective designs.

In order to put on a piece of theatre, both a theatre company and a theatre venue are needed. When a theatre company is the sole company in residence at a theatre venue, this theatre (and its corresponding theatre company) are called a resident theatre or a producing theatre, because the venue produces its own work. Other theatre companies, as well as dance companies, who do not have their own theatre venue, perform at rental theatres or at presenting theatres. Both rental and presenting theatres have no full-time resident companies. They do, however, sometimes have one or more part-time resident companies, in addition to other independent partner companies who arrange to use the space when available. A rental theatre allows the independent companies to seek out the space, while a presenting theatre seeks out the independent companies to support their work by presenting them on their stage.

While most modern theatre companies rehearse one piece of theatre at a time, perform that piece for a set "run", retire the piece, and begin rehearsing a new show, repertory companies rehearse multiple shows at one time. These companies are able to perform these various pieces upon request and often perform works for years before retiring them. Most dance companies operate on this repertory system.

Repertory theatre generally involves a group of similarly accomplished actors, and relies

more on the reputation of the group than on an individual star actor. It also typically relies less on strict control by a director and less on adherence to theatrical conventions, since actors who have worked together in multiple productions can respond to each other without relying as much on convention or external direction.

10.4. Theater in Rwanda

A number of groups and companies perform theater in Rwanda. The mainly cited groups include the following:

- Mashirika Performing Arts: a performing group and a pioneering professional company in Rwanda that was started by students of music, dance and drama at Makerere University, Kampala, in 1997, who later moved to Rwanda in 1998.
- IshyoArts Centre: a platform of artists, art lovers, cultural professionals, entrepreneurs and anyone who is passionate about performing art. This successful non-governmental organization operates locally and internationally and brings cultural practioners together to make traditional and contemporary culture available to all. Ishyo also develops and supports inovative artists, projects and training programs mainly in literature, dance, music, poetry and theatre.
- Program Arts Initiative: a platform gathering Rwandan artists and aiming at professionalization of art industry
- Amizero: a Rwandan dance, theatre and performance company and originates at the University Centre of Arts and Drama at the University of Rwanda—Rwanda's first professional contemporary dance company.
- Rwanda Professional Dreamers (RPD): a space created to initiate, promote and support innovative, challenging and creative artistic work in Rwanda
- Niyo Cultural Centre, which teaches traditional Rwandan drumming and dance to impoverished children. They give them the confidence and inspiration to use their skills toe and money for their own education, medial expenses and day-to-day living
- Kaami Arts Organization: founded in January 2013 by artists spanned in different fields in Music, dance, Theater, Painting, Cinema and photography, who joined hands to enlighten the skills, the knowledge and the love of art to the people while using it as a channel for social change.
- Ingeri Arts: an organization founded by Drama artists in 2013 to enhance and promote artistic education, participate in the development, enhance cultural values and contribute to the wellbeing of the community through performing arts, designed for arts to arts inspirations as well as arts for education, development and social well-being.
- Leaf International-Rwanda: funded in 2006, also known as Intore Cultural Troupe.

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As with the rest of artistic activities in Rwanda, theater groups face a number of challenges that include the following, according to an assessment by the Ministry of Sports and Culture dated 2016

- Poor quality of performances
- Limited stagecraft skills
- No performing arts dedicated infrastructures with the required amenities
- Theater is not very well known in Rwanda, as such the audience is still very low
- Lack of talent detection and development strategies

There are however, performing arts plays that have had a good start even though they have not managed to build a name for themselves.

10.5. Traditional dance in Rwanda

Music and Dance is a long-established and integral part of Rwandan life and culture and is part of every festival, a celebration such as birth, naming of children, marriage, birthdays and anniversaries and any other occasion imaginable such as family gatherings. Rwanda's Culture and People thrive off of music and dance that move the soul.

During the late afternoon and early evenings families and friends often gather drinking traditional beer and share a meal while telling stories about their day and week and there is always music and dance for all the enjoy. There is no celebratory occasion in Rwanda where one finds no music and dance to liven up the celebration, whatever it may be and that is especially true if there are visitors in the gathering.

Today as Tourism has greatly increased the number visitors to Rwanda, most hotels often have traditional dance and musical performances in the late afternoons or early evenings to the delight of the guests. Traditional Rwandan dancers are accompanied by an orchestra of five to seven members producing a harmonious, yet the explosive sound that grabs your soul, no matter what your background is. Some of the best dances include the following.

Intore Dance of Warriors:

The word Intore translated from Kinyarwanda into English means chosen ones – leaders. The male dancers were selected based on their physical and moral qualities since Intore is more than a dance and the learning of dance steps, but Intore dancers were educated in the ways of everyday royal court behavior and how to conduct themselves among Royalty and mainly King of Rwanda. They gave inspiration through their dance as there was preparation for the hunt or even for battle as they danced the dance of Heroes.

The Intore dancers through music – dance – shouts based on strength gave inspiration, inner confidence as they faced the enemy, went on a hunt watching the dance of heroes. Dances were also performed after a successful hunt or battle as they celebrated the victory in the court of the King. The dancers were accompanied by drummers – the number 13 was the symbol of Royal Power. Traditionally men were drummers; today you can also find women drummers performing. In the days of old, the drums announced the presence of the King; the drums were also a way that the King communicated with his people. To be a Royal Drummer meant a position of high status in the King's Court.

Today Intore dancers are most often accompanied by a drum orchestra made up of about seven to nine members whose drumming provide a harmonious and yet powerful melody of intertwining rhythms. You will also find while drummers and dancers perform the audience will clap their hands – something that gives added rhythm and even encourages dancers to outdo their last performance.

Umushagiriro/Umushayayo Dance of the women:

The Dance of Women is more gentle and graceful and unusual in Africa. Its strength is the graceful movement of Rwandan women highlight kindness, goodness, purity and the radiant beauty of what many consider Africa's most beautiful women – even though as often is the case the Women's Dance is based upon the movement of the cattle. The female's dance is usually compared to ballet. It is meant to display the grace as well as the beauty of the women of Rwanda as they emulate the movements of cows and wildlife though you would never know that as you watch the graceful, artistic movements of the Women Dancers. In Rwandan Traditional – Cultural dance men dance and portray courage, strength, and confidence while women through dancing so forth, love, care, nurture and their graceful feminine strength.

Ukurambagiza – Dance of Courtship:

The dance of courtship where men and women dance together – it is also called the dance of fiancés and in Kinyarwanda Ukurambagiza. In this unmarried women participate in the dance of courtship until they are married allowing their beauty to be accented by movement and dance. The rituals of birds and wildlife are emulated such as the mating dance of the gray crested cranes. It is a most gracious dance to view.

Umuganura Harvest Festival:

The Belgian colonial authorities banned the Umuganura festival in 1925 because they feared that the King would gain too much power since it was the second most important even in the kingdom after the coronation of a new king. In recent times the Rwandan

Government has reinstated the Umuganura Festival with many more things added than in times past. The harvest festival had been part of traditional Rwandan culture for centuries where people gathered to celebrate share the first fruits of the harvest, this was accompanied the music, dance, telling of stories and local brew.

The women dancers dressed in festive gowns to perform dances of thanksgiving and honor the Traditional Deity that had blessed them with a bountiful harvest and a time to bring and bless seeds for the new harvest to come.

The Umushayayo/ Umushangiriro.

This dance is also known as the dance of the women. Unlike that of the men, this one is a lot more graceful and gentle making it an extra-ordinary dance in Africa. In this dance women do a slow movement which portrays purity, radiance, goodness and kindness not forgetting the beauty of the African woman. This dance is based on the cattle movement.

Musical Instruments used:

Music – vocal performances and dance were often accompanied by various Rwandan instruments like such as the Ingoma made from a special tree and covered with cowhide. The Inaganga – which is a guitar-like instrument with 9 to 12 strings and come in plain or highly ornate wood. from Umyungu wood.

The Umuduli is a single string, almost bow-like instrument and then there is the Rwandan horn called the Amakondera.

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10.6. Implementation matrix

MUSIC

Policy intervention	Target	Indicator	Stakeholder	Time frame/Budget ('000,000 Frw)					Total
				2019-20	2020-21	2021-22	2022-23	2023-24	
Promote the music industry through investments in music promotion festivals with specific emphasis on the following objectives: To build the capacity of song writers To train music technicians in production techniques and new trends To train music project managers in agency management techniques of star performers	1. Improve the music production process 2. Build capacity of music technicians	Number of people trained in each cluster	RALC, RDB, MINISPOC, RAC	150	150	150	150	150	750

GENERAL MANAGEMENT OF ART PROJECTS

Policy intervention	Target	Indicator	Stakeholder	Time frame/Budget ('000,000 Frw)					Total
				2019-20	2020-21	2021-22	2022-23	2023-24	1,280
Train artists, technical staffs and managers in entrepreneurship skills related to arts	Build art related business professionals to run successful businesses for increased revenues	Number of people trained in each cluster	Number of people trained in each cluster	50	50	50	50	50	250
Train artists and managers in history of arts (all categories of arts)									
Train managers and technical staffs in project elaboration and presentation									
Train managers and technical staffs in project planning and execution									
Train managers and technical staffs in cost									

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Activity	Objective	Indicator	Responsible						Total
analysis models and techniques									
Train managers and technical staffs in pricing models and techniques									
Train managers and technical staffs in marketing of artworks									
Train artists, managers and technical staffs in planning and organizing an exhibition									
Train artists, managers and technical staffs in business environment regulations (Import/export/IP laws…)									
Collective collection and management of royalties									
MARKETING OF CCI									
Align CCI as promotion channels for products and services by									
Train managers and artists to assess the interests, needs and preferences of sponsors	Promote market driven production and management of CCI	Number of people trained	RALC, MINISPOC, RP, PSF, RAC, RDB	40		40		40	120
Build celebrity capital that enables star artists to benefit from celebrity association to promotion campaigns and advertisement		Number of contract signed	RALC, RDB, MINISPOC, RAC	25	25	25	25	25	**125**
Artists, managers and agents to build brand equity to ensure long term corporate promotion contracts				25	25	25	25	25	125
Conduct regular market research by art Category (music, film, plastic arts…)	Promote evidence based policy actions and business management	Report	RALC, RAC	70		70		70	**210**
Establish market segment and niches for each art category		Number of niches	RALC, RAC		20		20		40
Manage marketing efforts of CCI	Promote evidence based policy actions and business management	Number of surveys	RALC	25		25		25	**75**
Conduct customer satisfaction Surveys by art category		Number of positive feedbacks	RAC						
Build positive image of the art and artists									
Conduct audience preferences and interests mini surveys		Number of surveys			50		50		100
Assess the market share of local art			RALC	25		25		25	**75**

Assess the range of consumers' maximum expenditure on art per month, frequency and preference factors (every 2 years)	Report	RALC	30	30			60
Improve competitiveness of the industry							
Introduce a ranking system by star and genre in all art categories	Ranking system MIS	RALC	40	40			80
Bi-annually rank stars and genres in all art categories	Report				5	5	5	5	**15**

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10.7. Recommendations for the theater industry

To the government

- Build capacity in cultural theatrical events design and management (RALC, INMR, RAC)
- Conduct market research to attract the audience (RALC)
- Adopt a pricing model that enables the industry to operate at a profit (RAC, RALC)
- Train artists and technical staff in stagecraft management and technical skills (RAC, RALC)
- Train script writing for theater and comedy (RAC, RALC)
- Train directors and producers in casting and cast management (RAC, RALC)
- Promote customer experience management (RALC, RAC, INMR, MINISPOC)
- Invest in performing arts infrastructures (multipurpose art halls) in at least secondary cities (districts)

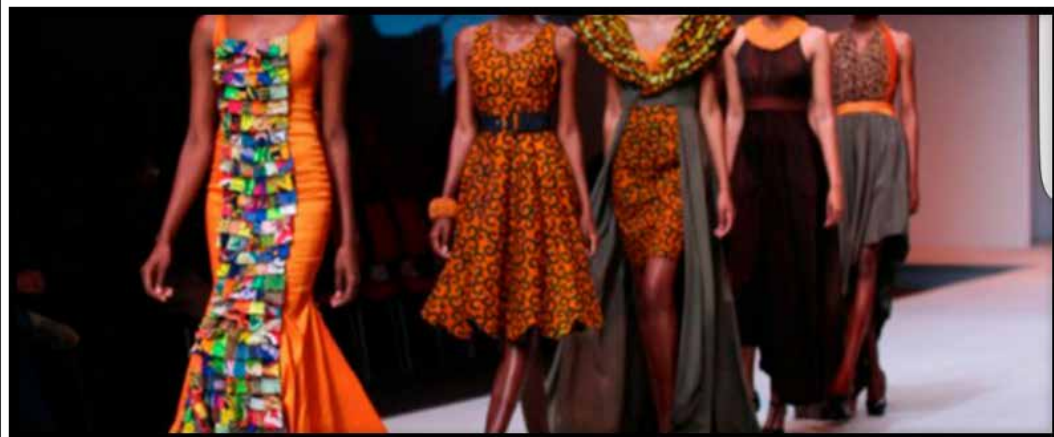**To artists**

- Promote joint investments
- Promote street performances
- Leverage on the Kigali Cultural Arena under construction
- Leverage on tourism development to promote the event in Kigali

To consumers

- Attend at least 2 cultural performances a year
- Be curious about traditional dance

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11   FASHIONS AND BEAUTY IN AFRICA

11.1. Background information

To understand the emergence of the African fashion design scene one must take account of the socioeconomic and cultural changes that have fueled new opportunities for fashion designers, whilst taking care not to lose sight of existing forms of clothing innovation in the region. Many African countries have a rich tradition for textile and clothing production. In West Africa, for example, research has revealed the innovative practices of tailors and seamstresses who constantly transform products and adopt new materials, use various sources of inspiration and adapt styles to suit new tastes and set new trends (Gott, 2010; Langevang and Gough, 2012; Grabski, 2010). Yet although the production of clothing as a medium for creative expression and income generation has a long history in Africa, according to Rovine (2010) past clothing innovations were not part of a 'self-conscious fashion market'. The distinction between other forms of clothing innovation and fashion design is not straight forward but fashion designers are typically trained in design techniques of Western origin and use sketches and patterns, many use labels, and their designs are often promoted through fashion shows, fashion weeks, magazines and the internet. Conversely, other forms of dressmaking are undertaken by tailors and seamstresses who are mostly trained through informal apprenticeships or vocational schools, use freehand cutting and rely predominantly on word of mouth to market their clothes (Langevang and Gough, 2012).

What has been termed 'the first generation of African fashion designers' (Rovine, 2010, Jennings, 2011) was constituted by a relatively small group of mainly Western trained African-based designers who were practicing fashion at a time when African countries were still struggling for economic and cultural independence from colonial rule in the post-independence era. Drawing upon a long history of textile and clothing innovations, these designers used local fabrics and dress practices to express their pride in African national cultures (Rovine, 2010). Today's generation of fashion designers are building on their achievements while also taking advantage of new opportunities and promoting new transcultural styles. New opportunities for fashion designers have arisen because of the relatively strong economic growth rates many African countries have experienced recently.

Most designers are young, and predominantly target youth. Youth in Africa is typically defined as the 18 to 35 year-old category, which constitutes a large and growing part of the African population. This growing youth population presents an opportunity for the creative industries since youth are known to be avid producers and consumers of creative products and services and often spearhead cultural transformations (Nilan and Feixa,

2006). At the same time, finding meaningful work is a key challenge for this growing youth population. Recent years of economic growth have not resulted in adequate job creation and in a context of neo-liberal economic policy young people are increasingly encouraged to create their own jobs through private enterprise (Langevang and Gough, 2012; Langevang et al., 2012; Gough et al., 2013).

The fashion industry is predominantly located in large urban areas across Africa. Lagos, Johannesburg and Cape Town, in particular, have developed into key fashion hubs in Africa and host relatively mature industries; they are home to a number of renowned designers, they host numerous fashion shows, and are home to a number of influential fashion magazines (Oberhofer, 2012). However, other large cities on the continent also host emerging, yet less developed, fashion industries.

A few of the designers had given up what they described as good jobs in the private sector to pursue their passion for fashion and become independent business owners. Many designers, however, reported that they had to fight against the perceptions of friends and family that fashion is not a worthy career for well-educated women. It is because of their passion and the future prospects they see that they are willing to try to overcome obstacles and conventions. As one designer explained:

> *'Here in Africa fashion is not so big, like it is not a big industry, it is becoming so now, but before it wasn't like this. So when you were telling people that you were doing fashion design or something they were not really interested they are like 'fashion why go and do something like that? You can go and do business, accounting or marketing or something'. They tend to look down on fashion. But I was interested and I had the passion that is why I kept going.'*

Although the fashion design profession in Africa is by no means reserved for women, the majority of fashion entrepreneurs are women. Generally, compared to other regions of the world the rate of female entrepreneurship is high and growing in many African countries.

11.2. The role of fashion design in revitalizing the clothing industry

Whereas their parents' generation predominantly had their clothes custom made by local seamstresses and tailors there are now several alternative options. Trade liberalization has resulted in the mass importation of ready-made clothes, especially from the East, which cater to the style of clothing in demand among many young people and are cheaper than locally produced clothes (Langevang and Gough, 2012). Another source of ready-made clothes is the booming second-hand clothing industry which imports used clothing from around the world and which has affected African clothing practices immensely

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(Hansen, 2000; Brooks and Simon, 2012; Brooks, 2015). Alongside these changes, local manufacturing of fabrics has also declined. The colorful patterned cotton fabric called African Print in Ghana, Chitenge in Zambia and Kitenge in Rwanda dates back to the early nineteenth century when European textile companies endeavored to develop factory-produced versions of hand-crafted Indonesian batiks, using special manufacturing techniques to copy the Javanese wax resist process. European manufacturers opened special African Departments devoted to designing, producing and marketing African Print fabrics (Gott, 2010). After independence, a number of African countries, including Ghana, set up government supported African Print cloth factories as a way to spur the private sector and create jobs in manufacturing. However, during economic restructuring in the 1980s and 90s governments were compelled to withdraw their support to the private sector and liberalize trade, resulting in the collapse of most of these factories. Today, imports of Chinese copies of African Prints are increasing rapidly, and these products typically copy the most popular releases by African textile industries. These Chinese imports are blamed for undercutting prices for locally made fabric and have been reported as a factor contributing to the fall of the clothing textile industry (Gott, 2010)

Witnessing the decline of the clothing and textile industry, many designers are motivated by an ambition to revitalize the industry and to spur development through business initiatives.

While this emergent status characterized by few institutional rules and macro-structures provides freedom and space for creativity, it is also experienced as a constraint. One adverse consequence is that besides establishing a business of one's own, employment opportunities are limited, which means that by choosing fashion design as a profession the young people are automatically forced to pursue self-employment as the only career strategy. This also means that there are few apprenticeship places where experience can be garnered before venturing out as independent designers. According to the designers and other actors in the sector, a lot of young women fail during their first year trying to run a business. Moreover, for those who do manage to sustain earnings are often meagre and for the majority not enough to pay rent for a 'studio' or a 'boutique', and the majority of the designers rely on support from their families.

Many designers operate from their homes, with some setting up a 'kiosk' or 'container' in the court yard or in front of the house where they run their businesses; while others transform corners of their bedrooms or living rooms into workshops. Most of the designers are one-woman-businesses with only a few of them employing a maximum of ten seamstresses or tailors, often on a part-time and irregular basis. While a few of the designers interviewed have made ready-to-wear collections, the vast majority spend most of their time sewing custom-made clothing for individuals in the local market. Only a few of the designers have established their own small boutiques, while only a couple used other retailers or internet portals as distribution channels.

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Some of the most successful designers have participated in international fashion shows and had achieved coverage in international fashion magazines; however, none of the designers were exporting more clothes than they themselves, acquaintances or clients could carry in their suitcases when travelling. It is mainly through 'suitcase trade' (Rabine, 2002) that their products are circulated in international markets, and it is also through these relatively small-scale informal channels that designers acquire styles and fabrics from other communities.

A key challenge to increase local sales is to convince locals to buy the more expensive African made fashion, while exporting presents logistical problems. The aim of sourcing materials locally is not without challenges either as the supply and variety of locally produced fabrics are limited and the price significantly higher than the imported products. Consequently, like the vast majority of the designers they are compelled to buy the cheaper and more varied Chinese materials.

A further challenge is the lack of established national or international umbrella organizations that could unite the designers. The designers univocally described the fashion scene as being characterized by competition, fragmentation and very limited cooperation, which they think, is detrimental to the development of the industry.

11.3. Management of contemporary fashion industry: characteristics and challenges

Fashion is a way for an individual to affirm him or herself (Steele, 2005; Godart, 2012). It is a broad term which typically encompasses any product or market where there is an element of style which is likely to be short-lived (Christopher et al. 2004). Fashion is best defined simply as the style or styles of clothing and accessories worn at any given time by groups of people. There may appear to be differences between the expensive designer fashions shown on the runways of Paris or New York and the mass-produced sportswear and street styles sold in malls and markets around the world. However, the fashion industry encompasses the design, manufacturing, distribution, marketing, retailing, advertising, and promotion of all types of apparel from the most rarefied and expensive haute couture and designer fashions to ordinary everyday clothing.

Fashion reflects the change in aesthetic, economic, political, cultural, and social life. Individuals and society use fashion to communicate their taste and lifestyle. The common tastes and lifestyle of society collectively form and represent the taste and lifestyle of that society. Those new emerging lifestyles are interpreted by fashion designers into fashion concepts and then translated into fashion commodities (Cholachatpinyo et al., 2002).Although the fashion industry developed first in Europe and America, today it is an international and highly globalized industry, with clothing often designed in one country,

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manufactured in another, and sold in a third (Burns et al., 2011). The fashion industry has long been one of the largest employers and it remains so in the 21st century and accounts for a significant share of world economic output.

The fundamental problem in fashion industries is that the time it takes to source materials, convert them into products and move them into the market place is invariably longer than the time the customer is prepared to wait.

Contemporary fashion industry is very global and dynamic. The importance of time as a competitive weapon has been recognised for some time. The ability to be able to meet the demands of customers for ever-shorter delivery times and to ensure that supply can be synchronised to meet the peaks and troughs of demand was analyzed by Christopher et al. (2004); Barnes and Lea-Greenwood (2006); Doeringer and Crean (2006); Stone (2008), Sull and Turconi (2008); Nagurney and Yu (2011); Runfola and Guercini (2013).

The point here is to identify the main characteristics of fashion industry and to develop a time efficient supply chain model.

The fashion system involves all the factors that are involved in the entire process of fashion change. Some factors are intrinsic to fashion, which involves variation for the sake of novelty. Other factors are external. Individual trendsetters also play a role, as do changes in lifestyle (Carter, 2013). Fashion is a complex social phenomenon, involving sometimes conflicting motives, such as creating an individual identity and being part of a group, emulating fashion leaders and rebelling against conformity.

The fashion industry thrives by being diverse and flexible enough to gratify any consumer's desire to embrace or even to reject fashionability, however that term might be defined. Summarizing research works of Christopher et al. (2004); Doeringer and Crean (2006); Sull and Turconi (2008); Christopher and Towill (2001); Burns et al. (2011) authors of this paper identify the following characteristics of modern fashion industry (see Figure 1).

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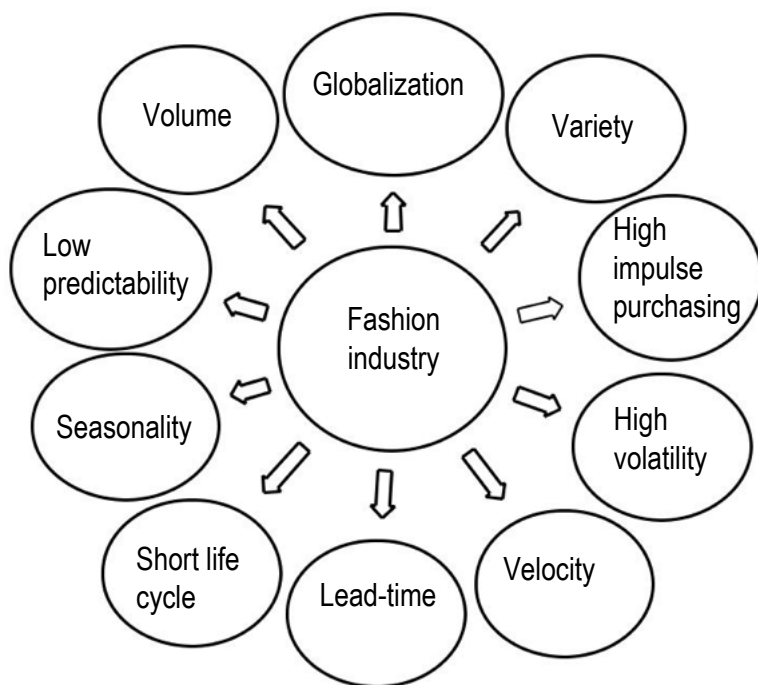
Figure 1. The Main Characteristics of Modern Fashion Industry

Apparel, footwear, home textiles and accessories manufacturers typically produce a mix of style-based and non-style-based products. The colour and size combination within a style tends to create a vast number of end-product, which coupled with reducing batch sizes results in ever higher order volumes. At the same time, customers are demanding shorter and shorter lead times, increasing the pressure to make decisions more quickly.

Demand for these products is rarely stable or linear. It may be influenced by the vagaries of weather, films, or even by pop stars and footballers. If a product is highly fashionable then by its intrinsic nature its demand will be unpredictable (Christopher & Towill, 2001). Because of the volatility of demand it is extremely difficult to forecast with any accuracy even total demand within a period, let alone week-by-week or item-by-item demand.

As the industry has become increasingly global, many companies have acquired or opened production capacity in different countries or outsourced production to contract manufacturers. There is also a trend towards vertical integration. This all introduces greater supply chain complexity, which complicates the process of deciding where to produce different styles over time.

The long lead times for fabric, combined with the often significant distances between the production unit and the retailer, can require that purchasing or production starts against

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a forecast. Some fashion companies are adopting a business model in which the initial push is sourced at minimum cost from a low-cost country and replenishment orders are sourced in the local region at a cost penalty. This model can provide higher service levels through greater flexibility, and avoids the risk of excessive inventory exposure. However, it further complicates planning.

Fashion trends combined with the seasonal nature of the industry mean that styles often have a short lifecycle or are only produced for a few weeks per year. Production load often needs to be smoothed backwards and/or balanced across a number of sites to meet seasonal peaks.

One more characteristic is high impulse purchasing. The consumer makes a buying decision when he or she is confronted with the product at the point of purchase (Christopher et al., 2004).

When consumers go to a fashion retailer, they will be looking at the different ranges of products and how they are presented. They may also look for quality customer service. However, consumers may not be aware that before products reach them, they must move from being raw materials through a variety of stages to become finished products suitable for sale. In the fashion industry, apparel pipelines have been notoriously long, complex and inflexible (Jones, 2002; Hines, 2004). Their structure resulted in long buying cycles, which became inappropriate for the demands of the modern fashion industry and the increasingly demanding fashion consumers.

Because of the complexity of fashion industry and the main characteristics presented above, management of a supply chain needs significant changes. The issue of the supply chain has become increasingly strategically important, in terms of agility, time factor, organization and co-ordination with the various entities within the chain.

Summarizing research works of Christopher et al. (2004), Bruce et al. (2004), Barnes and Lea-Greenwood (2006), Sheridan et al. (2006), Burns et al. (2011), Runfola and Guercini (2013) authors of this paper present theoretical model illustrating supply chain management of modern fashion industry (see figure 2).

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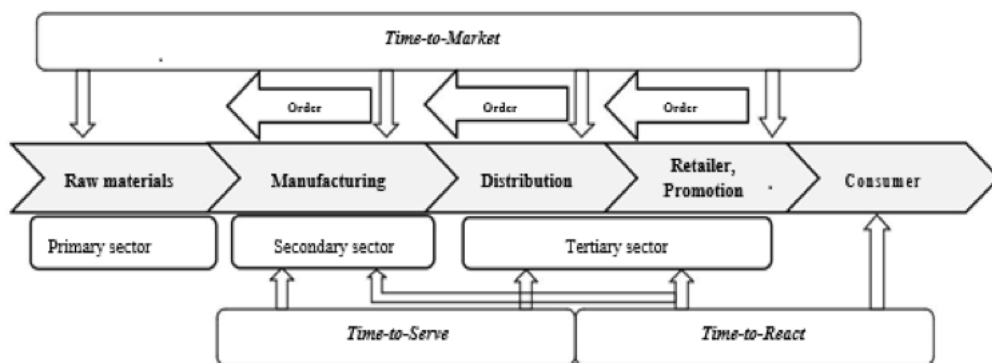
Figure 2. The Fashion Supply Chain Management Model

The fashion industry is fast-moving, trend-driven business involving three sectors of economy and four main stages:

- The production of raw materials, principally fibres and textiles but also leather and fur.
- The production of fashion goods by designers, manufacturers, contractors, and others.
- Retail sales.
- Various forms of advertising and promotion.

These stages consist of separate but interdependent sectors, all of which are devoted to the goal of satisfying consumer demand for apparel under conditions that enable participants in the industry to operate at a profit. These activities go on and are driven by the demand in the market, the inventory levels at each of the tiers in the chain, and also the rules, which govern production lot sizes.

The fashion firm is involved in the production, storage, and distribution of multiple fashion products and is seeking to determine its optimal multiproduct flows to its demand points (markets) under total cost minimization and total time minimization, with the latter objective function weighted by the fashion firm (Nagurney & Yu, 2011).

The importance of time as a competitive weapon has been recognized for some time. The ability to be able to meet the demands of customers for ever-shorter delivery times and to ensure that supply can be synchronized to meet the peaks and troughs of demand is clearly of critical importance in this era of time-based competition (Christopher, 2000; Doeringer & Crean, 2006; Fernie & Azuma, 2004; Giunipero et al., 2001).

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According to Christopher et al. (2004) there are three critical lead-times that must be managed by organizations that seek to compete successfully in fashion markets:

- Time-to-Market - how long does it take the business to recognize a market opportunity and to translate this into a product or service and to bring it to the market?
- Time-to-Serve - how long does it take to capture a customer's order and to deliver the product to the retail customer's satisfaction?
- Time-to-React - how long does it take to adjust the output of the business in response to volatile demand?

The fundamental problem in fashion industries is that the time it takes to bring the product into the market is invariably longer than the time the customer is prepared to wait. Solution of this problem lays in the responsiveness of supply chain. Moves to improve responsiveness of supply chains in the fashion industry can be made with introduction of the following concepts, techniques and strategies:

- Lean manufacturing;
- Just-in-time;
- Agile supply chains;
- Quick response.

Adoption of these strategies and techniques will help to reduce the processes involved in the buying cycle and lead times for getting new fashion product into stores, in order to satisfy consumer demand at its peak.

11.4. Fashion design in Rwanda

11.4.1. Brief background

Rwandans love cleanliness and love being smart on themselves when looking at Rwandan history they had the styles of dressing and hearing dress:

1. Gutega Amasunzu this hear style was for every Rwandan except pregnant woman and women who gave birth or the bride who had their own styles
2. Men and women had amasunzu strengthened
3. Power of Oil Batter-Also their bodies there is a way that they cared about it by putting masks of oils which would be powered all the body that oil would be from Batter oil which was Longley kept that turned the body like a baby one
4. Tatus-This was a way of labeling on the body for beauty with names
5. Rather dressing-this would be from small animals like sheep and goats which would

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be for casual wares also big animals like leopards which were dressed by the King up to high level officials but the public putting on tree leaves

Clothes come in Rwanda in 19700 on Mpazimaka kingship with cloth it was shared to different people and it was burn't during the fight at Lunchunchu. Rwanda was not an island when whites come they found them collaborating with Tanzanians they were having the beads from Kabale and other places because Rwandans never accepted foreigners to come into the country but they used to move to those markets and brought good things from those countries at the same time those clothes were brought in Rwanda.

A young teenager girl could ware Incubate the same to the young boy starting to grow would ware Ikizibaho that existed in Rwandan history. Rwandans used to decorate themselves they had metals from legs to the nil but also other appear parts the same with hands (Imiringa).

After 1900, clothes seeing whites with shorts and Rwandans started to put on the same styles all was learnt from the whites.

During the period Hip. In 1960's it is when the Rwandan women dressed them also big trousers in 1970's with sharp shoos men used to put on big styles.

Beauty making used to have their own tools even shaving was being utilized manually then in 1990's it is when the pedicure and manuculer started the electric machines come after genocide of 1994.

11.4.2.The fashion industry in Rwanda

Fashion industry has over the years evolved into a lucrative and vibrant business sector. Some designs from Rwanda have featured on the global fashion scene like Rwanda Day in London and Toronto, Great Lakes Fashion Show and Kigali Fashion Week, among others. Fashion houses in Rwanda deal in exquisite African fabrics using traditional designs, jewelry and other accessories. A number of small but growing fashion houses operate in Rwanda.

The phasing out second hand clothing in Rwanda has opened up huge opportunities for the fashion industry in Rwanda to grow and imprint its marks on the economy and culture. Yet many challenges still impede the productivity of the industry.

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11.4.3. SWOT analysis of the fashion industry in Rwanda

Strengths	Weaknesses
• Young talented entrepreneurs • Political support of the industry	• Limited skills of the actors • Lack of locally produced raw material • Low level of awareness on the importance and use of intellectual Property Rights • Difficulties in accessing bulk imports of fabric • Scattered actors • Lack of champion model firms • Difficult access to finance
Opportunities	Threats
• Phased out imports of second hand clothing • Conducive business environment	• Increasing imports of new and cheaper clothing from China • Limited appreciation of the quality of locally produced clothes on the market

11.4.4. Recommendations

To the government
- Link fashion design to textile and garment industries development strategies (MINISPOC, RALC, RAC, RDB)
- There are strategies for textile and garment development at MINICOM, these are not linked to fashion and design. Yet they all serve the same purpose. They should be linked.
- Link fashion design with made in Rwanda campaign
- Leverage the development of fashion industry on the phasing out of second hand clothing
- Promote Rwandan fashion brand through brand equity development

To artists
- Leverage on Made in Rwanda to promote Rwandan fashion industry
- Make known to the local market fashion creations by Rwandans

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12 CONCLUSION AND GENERAL RECOMMENDATIONS

The cultural and creative industries in Rwanda are young but promising. They have seen notable developments in both in quality, number of productions and actors in recent years that are encouraging. They are still constrained by a number of challenges that impede their full development. Hence, marketing cultural and creative industries in Rwanda often comes back to solving the bottom line problems that prevent consumers of art to appreciate the art on the market. Some art industries have actually grown to the extent where they drive the performance of others. Worthy to note are the book, film and plastic arts industries. Yet, specific actions need to be prioritized in order to drive the growth of the art industries in Rwanda. For example:

This comes back to three basic things:

1. The cultural and creative industries need to reinvent their art production process and improve the quality of the art they propose to the consumers.

A. MUSIC INDUSTRY

The quality of music has considerably improved, but there is room for continual improvement. On the side of music shows, brand consolidation and management there is still work to be done. The biggest contribution to the industry has come from GumaGuma. It is important that artists and music is given the kind of support that GumaGuma has been giving.

In addition, it is important leverage on the mobile phone penetration to introduce music for pay. Even if listening to a local song for one time costed only 1 Frw for the first 3 weeks of a song being released, it would mean a good revenue for the artists, a good taxable base for RRA and a good number of jobs created.

It is also important to strengthen collective management of royalties in Rwanda to enable artists to benefit from their creations.

B. FILM INDUSTRY

The industry is still very young, and needs to specialize. Technical skills are still lacking in many of the functions that affect the quality of film. A value chain analysis of the industry will indicate specific areas of intervention to improve the quality.

It is important to promote professional filmmaking through structured film curriculum development. While promoting professional filmmaking, it is also important to develop the movie theatres. With increased production of films, movie theatres should be part of the entertainment infrastructures that promote the local film, culture, language and way of life. This could constitute an added stream of revenue from tourism.

It is important to invest in festival organization as a tourism attraction. A good example is the Festival de cannes, a global film festival, envied by everyone and attracting millions of tourists.

C. BOOK INDUSTRY

The biggest challenge is to boost the culture of reading. But there is also the challenge of lack of skills. It is important to address the problem of skills as well as boost the habit of reading before the industry can grow.

More specifically, for the book industry, it is recommended that Rwanda Publishing House be established. This institution would foster editorial services development with spillover effects reaching book publication as well as book writing.

With this publishing house, the management and issuance of ISBN to locally published books would be easy and contribute to the improvement of the quality of locally published books.

The establishment of a publishing house in Rwanda would be a strategic milestone spear-headed by the government to strengthen the book industry, but also attract further private investments through specialized services. With time and growth, the publishing house would be privatized.

The establishment of a publishing house would lead to an increase of quality books that are locally produced, thus increasing the supply of books. In fact, the challenge of a reading culture can only be tackled if there exist libraries in schools, districts and sectors across the country to facilitate access to a quality book with a local content. Hence, it is recommended that libraries be established in schools, sectors and districts to increase the number of readers and the demand of locally produced books.

D. PLASTIC ARTS

This sector has enormous potential, but still is not fully taking existing opportunities. The art project management skills that could link this decorative art to the booming construction industry are still lacking and thus affecting the sector.

It would also be a good idea for artists to access foreign markets through diplomatic and business development missions.

E. PERFORMING ARTS

Theatrical performances in Rwanda has almost been left to the radio, and television. Yet the many people who follow theater on radio would as well be glad to see their preferred plays acted on stage. The missing link is often the quality and organization of the event. Stagecraft skills building is thus necessary.

In addition, there is need of a national theatre center, where the audience can attend a good theatre play. This art infrastructure can as well promote stand-up comedy in Rwanda. Currently, a small team of local comedians tour hotels and restaurants performing and the audience is increasing. A facility dedicated would promote this industry.

Moreover, it would not only be stand-up comedy, because even ballet performances require a dedicated infrastructure. This kind of infrastructure would make it possible for performing arts industries to offer more entertainment to local communities as well as tourists who often have a hard time finding the right entertainment they need when they off visiting gorillas or canopying in Nyungwe Park. Therefore, the performing art infrastructures ought not to be particularity of Kigali City only but rather should target even districts and popular tourists attractions.

F. FASHION AND BEAUTY INDUSTRY

This is perhaps the most demanded industry on the market. It is also the most absent. The brand is already built under the auspices of made in Rwanda, but artists have not yet grabbed the opportunity. Challenges in this sector are complex and include access to finance and trainings. It is important for Rwandan designers to grab the demand and drive made in Rwanda fashion industry.

It is also important to have a special section in the museums exhibiting the evolution of the Rwandan fashion to inform the public and create interests in the Rwandan fashion brand. In addition to special exhibitions in museums, it would also be good to support fashion shows in Rwanda so highlight their fashion creations and attract buyers and developers.

General recommendations

1. Government institutions:

1. The art industries face a lot of sector constraints that include but are not limited to the following: limited skills of artists, limited training schools, training curricula not always aligned to the needs of the artists and the industries, limited investments, limited incentives to grow the industries, unenforced laws leading to flows in the industries… these sector constraints ought to be addressed to promote a conducive business environment for the art industry.

2. The art industries need to be well documented and researched in order to inform policy options. It is still difficult to find reliable literature on any art industry in Rwanda. Hence, RALC should invest more in researching the art industries.

3. Elaborate book promotion, film and audio-visual distribution policies to provide the necessary legal and policy frameworks needed for the promotion and development of these industries.

4. There is need to protect artists rights and enforce contract management as well as intellectual property for art industries to become real economic sectors.

5. There is need to promote learning by doing for art industries to acquire the necessary skills and competencies needed for them to become real economic sectors

6. There is need to link art and tourism so as to keep the tourists in the country for more that the current average of 3 days. The revenues from tourism would more than double if art and entertainment sectors were taken as part of tourism and given equal support.

7. There is need to install local content policy to promote local art industries

8.Setting up a fund that funds the development of the art industries with special regards to the funding of art and entertainment projects.

2. Artists and their federation (RAC)

1. Making art for a living is a business that has a lot of potentials to create wealth. It is important not to forget that making films, songs, baskets, a play and so on can me you rich. Hence, it requires skills that artists may not have. For instance, business

management, accounting, investments, marketing, research, agency, brokering…
Artists should outsource skills they do not have to professionalize their businesses.

2. Art revenues go hand in hand with brand management, hence artists need to invest both time and money as well as good will to build trustful brands.

3. Art industries like any other industry involves a lot of learning from successful practices in other countries. It is therefore crucial for artists to continually learn how others made it to success.

4. Other countries have very successful artists such as Davido, DBanj, Diamond, actors, painters, pianists, dancers … who are also among the richest people in the country. These artists are rich because they have taken their art as businesses. They have created jobs that require skills they (artists) do not have. They have linked art and business yet kept them functioning separately. Art directorate separate from business directorates.

3. Collective collection and management of royalty is the way to go for artists to make a living out of their art. Where Collective Management Organizations exists, they also have problems, but work. These organizations can always be improved if they exist. It is important for artists to join CMOs to increase their bargaining power.

3. Consumers

Many consumers enjoy and love Rwandan art and artists, but fewer are willing to spend to support the promotion and protection of the art that we all love and enjoy. It is therefore time to start paying for the art we love and consume free of charge.

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14.   Annex I: Data collection questionnaire

IDENTIFICATION/Umwirondoro

Residence/Aho ubarizwa

Province/*Intara*	……………………………………………..
District/*Akarere*	……………………………………………..
Sector/*Umurenge*	……………………………………………....
Vell/*Akagali*	……………………………………………..
Village/*Umudugudu*	……………………………………………..

Demographic Characteristics/Irangamimerere

Please indicate your socio-demographic characteristics/*Shyira ikimenyetso ahajyanjey n'irangamimerere yawe.*

Sex/*Igitsina*	Male/*gabo*	
	Female/*gore*	

Age/*Imyaka*	18-24	
	25-44	
	45-54	
	55+	

Marital status/*Irangamimerere*	Single/*Ingaragu*	
	Married /*Ndubatse mu buryo bwemewe n'amategeko*	
	Cohabiting /*Mfite umufasha mu buryo butemewe n'amategeko*	
	Divorced/*Natandukanye n'uwo twashakanye*	
	Widow/er/ *Ndi umupfakazi*	
	Other (specify)/*ikindi (kivuge)………………………………………*	

Education/*Amashuri*	No Formal Education/Atabwo nize	
	Primary/Amashuri abanza	
	Secondary (9 or 12)/Amashuri yisumbuye(ay'imyaka 9 cg 12)	
	Vocational training/Ay'ubumenyi-ngiro/Imyuga	
	University/Kaminuza	
	Other (specify)Ikindi(kivuge)………………………………………	

Religion/*Idini*	Roman Catholic/Umugatulika	
	Protestant/Umuporotestanti	
	Pentecost/Umupantekoti	
	7 Day Adventist/Umudivantisti w'Umunsi wa 7	

	Jehovh Witness/Umuyohova	
	Muslim/Umuyisilamu	
	Other (specify)/Irindi (rivuge)…………………	

Employment status/akazi ukora	Unemployed, not looking for work *Nta kazi, nta n'ako nshaka*	
	Unemployed, looking for work *Ndigushakisha akazi*	
	Employed in the formal sector *Akazi gahamye*	
	Employed in the informal sector *Akazi ko kwirwanaho*	
	Self-employed *Ndikorera*	
	Agricultural worker *Umuhinzi-mworozi*	
	Retired *Ndi mu kiruhuko cy'izabukuru*	
	Unable to work/disabled *Naramugaye*	
	Housewife *Umugore wo murugo*	
	Domestic workNkora akazi ko mur rugo	
	Student *Umunyeshuri*	
	Refused Yanze gusubiza	
	Other (indicate it)/Ikindi (Kivuge)…………………………………….	

1. **Sectors (N.B.Select 1Sector): Film,Music,Perfoming Arts, Beauty &Fashion, Plastic Arts, and Books industries**

Byerekeye:	**Ibyiza (**imbaraga**) mufite iwanyu** mwumva **byakubakirwaho** STRENGTHS	**Ibibi** (intege nke) **mufite iwanyu** mwumva **zigomba gukemurwa** WEAKNESSES	**Ibyiza** biturutse cg bishobora guturuka **hanze** mwumva **bya byakwifashishwa** OPPORTUNITIES	**Ibibi** bituruka cg bishobora guturuka **hanze** mwumva **bigomba gukumirwa** THREATS
Social cohesion (Imibanire myiza hagati y'abantu**)**				

Cultural diversity (guteza imbere no gusigasira umuco)				
Job creation (Gutanga akazi)				
Economy growth (ubukungu-gutanga amafranga)				
Attractiveness (Gutuma u				

Rwanda rukundwa abantu bakanifuza kurugana)				
(**Products**)- --N'ibyo bakora strengths and challenges				
Marketing process/Advertisement (uburyo babyamanazamo/publicitee)----				
Distribution/**selling** process (Iko babigeza ku bakiriya)---				
Amafranga bakuramo (**price**)				

2.PLEASE, INDICATE YOUR OPINION ON THE INTERVENTION AREAS FOR THE PROMOTION OF FORMALIZATION AND MADE IN RWANDA CONTENT FORMALIZATION AND MADE IN RWANDA CONTENT /GIRA ICYO UVUGA KU KAMARO NO GUSHOBOKA KW'ITEZWA IMBERE RYA MADE IN RWANDA

2.1. Fair profit distribution

1. What is your opinion on the fairness of profit distribution from (local) Film,Music,Perfoming Arts, Beauty &Fashion, Plastic Arts, and Books products?
2. Very fair
   a) Fair
   b) Less fair

c) Not fair at all

Explain your answer…………………

3. Do you think it is possible to achieve fair distribution of profit from (local) Film,Music,Perfoming Arts, Beauty &Fashion, Plastic Arts, and Books products?
   a) Yes
   b) No

Explain your answer……………………

4. What do you think should be done toward much more fair distribution of profit from (local) Film,Music,Perfoming Arts, Beauty &Fashion, Plastic Arts, and Books products made in Rwanda?

1.............
2..............
3..............

2.2. Availability and Accessibility

5. How do you generally perceive the availability of the following **Film,Music,Perfoming Arts, Beauty &Fashion, Plastic Arts, and Books** products?

Film,Music,Perfoming Arts, Beauty &Fashion, Plastic Arts, and Books products	Always available	Sometimes available	Not available at all
1. AV on TV			
2. AV online			
3. AV in Cinema			

Explain your answers……………..

6. Do you thing it is possible to improve the availability of (local) audio-visual products?
   a) Yes
   b) No

Explain your answer……………………

7. What do you think should be done to improve the availability of (local) Film,Music,Perfoming Arts, Beauty &Fashion, Plastic Arts, and Books products?......................

8. How do you generally perceive the accessibility of the content of the following (local) Film,Music,Perfoming Arts, Beauty &Fashion, Plastic Arts, and Books products?

Film,Music,Perfoming Arts, Beauty &Fashion, Plastic Arts, and Books products	**Always available**	**Sometimes available**	**Not available at all**
4. Creative industry on TV			
5. Creative industry online			
6. Creative industry in Cinema			

Explain your answers……………..

9. Do you thing it is possible to improve the accessibility of (local) audio-visual products content?
   a) Yes
   b) No

Explain your answer……………………

10. What do you think should be done to improve the accessibility of (local) audio-visual products content?....................

2.3. Inclusive employment generation
11. How inclusive do you think employment in the audio-visual industry is, in general?
   a) Very inclusive
   b) Less inclusive
   c) Not inclusive
Explain your position……………………………….
12. How inclusive do you think employment in the audio-visual industry is considering the following channels?

Film,Music,Perfoming Arts, Beauty &Fashion, Plastic Arts, and Books channels	Very inclusive	Less inclusive	Not inclusive
1. TV			
2. Online platforms			
3. Cinema			
4. Corporate Vendors			
5. Street Vendors			

Explain your answers……………..
13. Do you think is worthwhile to formalize and increase the inclusive employment in the creative industry?
   a) Yes
   b) No
Explain your answer……….

14. What do you think is the best way to formalize and increase employment in an inclusive way in the **Film,Music,Perfoming Arts, Beauty &Fashion, Plastic Arts, and Books** sector?..........................

15. How do you judge the level at which creative industry channels are institutionally supported?

Film,Music,Perfoming Arts, Beauty &Fashion, Plastic Arts, and Books channels	Very much supported	Much supported	Less supported	Not supported at all
6. TV				
7. Online platforms				
8. Cinema				
9. Corporate Vendors				
10. Street Vendors				

Explain your answers……………..

16. What do you think should be done to improve institutionally support of (local) Film,Music,Perfoming Arts, Beauty &Fashion, Plastic Arts, and Books products?....................
17. What do you think should be done to legally support (local) Film,Music,Perfoming Arts, Beauty &Fashion, Plastic Arts, and Books products?....................

2.5. Intellectual Property Rights (IPR) Implementation

18. Do you think the introduction and enforcement of IPR regarding audio-visual products is necessary?
   a) Yes
   b) No

Explain your position……….

19. What do you think are the potential opportunities and challenges for the introduction and enforcement of IPR regarding creative industry products?

Potential opportunities and challenges for the introduction and enforcement of IPR		
Introduction of IPR	**Opportunities**	**Challenges**
	1.	1.
	2.	2.
	3.	3.
	….	….
Enforcement of IPR	1.	1.
	2.	2.
	3.	3.
	….	….

Questionnaire to Consumers

Supply Chain Analysis

a) Television
   Product

1. When you watch a TV, what types of the content do you watch and through what medium, and how often do you watch them and what is your preference

CONTENT	Medium						Share (how often the content is viewed)				Preferences	
	Flash disk	CD	Memory card	External driver	Cassette	Decoder	Very often	Often	Sometimes	Never	Local	International
Movies												
Series												
Soap operas												
Drama												
Documentaries												
Music-video												

clips												
News/information												
Animation												
Shows												
Sport												
Marketing/Advertising												
Entertainment												
…												
....												

2.   In general, what types of the content do you prefer to watch on TV?
   a) Local (made in Rwanda)
   b) International

Explain your preference………………………………….

1. How do you generally view the trend of Audio-visual products on TV in Rwanda?
   a) More oriented to local products
   b) More oriented to international products
   c) More formal
   d) More informal

Explain your opinion………………

Operators

2. From who of the following operators, do you often buy TV content?
   a) Creators
   b) Broadcasters
   c) Distributors
   d) Other (please indicate)

Explain why………………..

Value Distribution

3. How do you judge the price of the TV content you buy?
   a) Very cheap
   b) Affordable
   c) Expensive
   d) Very expensive
4. How do you generally judge the price of local TV content you buy in comparison with international content?
   a) Local audio-visual content is cheap
   b) International audio-visual content is cheap
5. What is your general level of satisfaction regarding your access to the content of TV products?
   a) Very satisfied
   b) Satisfied
   c) Less satisfied
   d) Not satisfied at all

Explain your position…………………………………………

6. What is your general opinion on the quality of TV content you buy?
   a) Very high quality
   b) High quality
   c) Poor quality
   d) Very poor quality

Explain your position…………………

b) <u>Online platforms (internet)</u>

Product

7. When you watch audio-visual products ONLINE, what types of the content do you watch and through what medium, and how often do you watch them, and what is your preference?

	Medium				Share (how often the content is viewed				Preferences	
	Comp uter	Smartph one	Ipa d	Web brow ser	Oft en	Someti mes	Oft en	Someti mes	Loc al	Internati onal
o Movies										
o Series										
o Soap operas										
o Music video clips										
o Documen taries										
o Fashion film										
o Vlog										
o Web talk										
o Web reality										
…..										
…..										

8. In general, what types of the audio-visual content do you prefer to watch Online?
   a) Local (made in Rwanda)
   b) International

Explain your preference……………………………
Operators

9. From who of the following operators, do you often buy ONLINE content?

Producer
Web host
Content providers
Other (please indicate)…….

Value Distribution

10. How do you judge the <u>price</u> of the ONLINE content you buy?
   a) Very cheap
   b) Affordable
   c) Expensive

d) Very expensive

Explain your position…………………………………

11. How do you generally judge the <u>price</u> of local audio-visual Online content you buy in comparison with international content?
    a) Local audio-visual content is cheap
    b) International audio-visual content is cheap

12. What is your general level of satisfaction regarding your <u>access to the content</u> of ONLINE products you buy?
    a) Very satisfied
    b) Satisfied
    c) Less satisfied
    d) Not satisfied at all

Explain your position…………………………………………

13. What is your general opinion on the <u>quality</u> of ONLINE content you buy?
    a) Very high quality
    b) High quality
    c) Poor quality
    d) Very poor quality

Explain your position………………

c) **Cinemas**
Product

14. When you watch audio-visual products in CINEMA, what types of the content do you watch and through what medium, and how often do you watch them, and what is your preference?

Content	Medium				Share (how often the content is viewed				Preferences	
	TV screen	Computer	Telephone	Ipad	Often	Sometimes	Often	Sometimes	Local	International
o Movies										
o Series										
o Soap operas										
o Music video clips										
o Documentaries										
o Sport										

Operators

15. From who of the following operators, do you often buy CINEMA content?
    a) Content Owners
    b) Producers
    c) Distributors
    d) Exhibitors
    e) Other (specify)………

Value Distribution

16. How do you judge the <u>price</u> of the CINEMA content you buy?
    a) Very cheap

b) Affordable
c) Expensive
d) Very expensive

Explain your position…………………………………

17. How do you generally judge the <u>price</u> of local audio-visual Cinema content you buy in comparison with international content?
   a) Local audio-visual content is cheap
   b) International audio-visual content is cheap

18. What is your general level of satisfaction regarding your <u>access to the content</u> of CINEMA content you buy?
   a) Very satisfied
   b) Satisfied
   c) Less satisfied
   d) Not satisfied at all

Explain your position…………………………………………………

19. What is your general opinion on the <u>quality</u> of CINEMA content you buy?
   a) Very high quality
   b) High quality
   c) Poor quality
   d) Very poor quality

Explain your position…………………………

d) <u>Vendors</u>
Product

20. How do you view the trend of **Film,Music,Perfoming Arts, Beauty &Fashion, Plastic Arts, and Books** products sold by vendors in Rwanda?
   a) More oriented to local products
   b) More oriented to international products
   c) More formal
   d) More informal

Explain your opinion………………..

Operators

21. From who of the following operators, do you often buy **Film,Music,Perfoming Arts, Beauty &Fashion, Plastic Arts, and Books** products?
   a) Content Owners
   b) Promoters
   c) Distributors
   d) Investors
   e) Vendors (company)
   f) Street vendors
   g) Other (specify)………

Explain your choice……

Value Distribution

22. How are you satisfied with the <u>price</u> that vendors attribute to **Film,Music,Perfoming Arts, Beauty &Fashion, Plastic Arts, and Books** products?
   a) Very satisfied
   b) Satisfied
   c) Less satisfied

d) Not satisfied at all

Explain your position……………………………………………

23. How do you judge the <u>quality</u> of street vendors of **Film,Music,Perfoming Arts, Beauty &Fashion, Plastic Arts, and Books** products?
    a) Very high quality
    b) High quality
    c) Poor quality
    d) Very poor quality

Explain your position……………………………………………

24. What is your general opinion on the <u>quality</u> of service (customer care) of vendors of **Film,Music,Perfoming Arts, Beauty &Fashion, Plastic Arts, and Books** content you buy?
    a) Very high quality
    b) High quality
    c) Poor quality
    d) Very poor quality

Explain your position…………………

Marketing strategy per creative industry sector (for every sector)

Kuri buri sector amakuru akenewe ni aya (hose ndagenda mbereka ukomugomba kubibasobanurira kugirango mwuzuze tableau y'amakuru neza.

<mark>Sector name</mark>: ....

A. Sector **vision**, **mission** and **objectives and values** (kubaza ngo vision yanyu ni iyihe cg mwumva yaba iyihe-niba batari bayifite).
   <u>Urugero</u> nka sector ya FILM bati:
   - Our vision is to be a leading film industry in Africa.
   - Our mission, to reach our vision, is to produce quality fills which (bakavuga ibyi bazakora muri rusange)
   - Our objectives for 5 years, to reach our mission, are… (bakavuga izo bashaka nka 2, 3, 4..)
   - To reach our vision, mission and objectives, our values are: integrity, honesty, hardwork….. (mbese indangagaciro za sector yabo)

Table 1: sector's vision, mission, objectives, values

Vision	
Mission	
Objectives	- - -
Values	…………

B. Sector's Marketing Goals and specific objectives

Bitandukanye na mission and objectives rusange bya sector. Aha ni goals na specific objectives za marketing bapanga gukora nko mu myaka 5 (plan zo kumenyekanisha no kugeza products cg services ku bakiliya)

Urugero:
- Marketing goals:
  - o increase sales (kungera umubare w'ibyo ducuruza);
  - o build brand awareness (kumenyakanisha abo turibo);
  - o increase profits (kongera inyungu)
- Specific objective (kuri goal ya mbere ya "increasing sales"): increase sales by 30% within 1 year.

TABLE 2: *Template for marketing goals and specific objectives*

Marketing Goals (two or many)	Specific marketing objectives *(expected results)* (one or many)
1.	- - etc.
2.	- - etc.
Etc.	Etc

B.1. Sector's Marketing Strategies (action plans)

1) Target audience

Ni bande sector yanyu ifite nkabakiriya bayo (customers) ndetse n'abo mwifuza cg mubona baashobora kuzaba bo (potential customers), kandi mwumva bakeneye iki(needs) ? Ni ukuvuga mbese mutubwire isoko mufite (abantu bashobora kwifuza ibyo mukora) n'ibyo iryo soko rishobora kubifuzaho. Ese ni abahe? Babarizwa he? Ni bantu ki?.... Ni izihe methods zo kubageraho (kuko zishobora kuba Atari zimwe kuri buri target)?
Urugero
- Audience: urubyiruko, male and female, all ages, rich and poor........
- Location: Rwanda, urban and rural, east African community, …
- Marketing methods: advertisement, …..

TABLE 3.: Template for target market/audience & methods

Target audience/market indication	Geographical Location (aho babariza..e-g ese ni towns, rural, Kigali, Rwanda, region,…)?	Marketing methods
1		
2.		
3.		
Etc.	Etc.	Etc.

2) Brand naming

Gutuma sector imenyekana bikayitandukanya n'izindi. Brand Ishobora kuba name (izina), sign, symbol (logo) cyangwa combination. Branding stategy ni uburyo uyamamaza.
Urugero:
- Brand: Coca Cola, Vigar
- Branding strategy: advertising on TVm news papers, online, website,

TABLE 4: Template for branding

Brand name	…
Branding methods	…

3) Unique advantage
Ni ibiki ufite (products or services) bigutandukanya n'abandi bigatuma uba the best ugererenyije n'abandi?Ese abo bandi (competitors) ni bande? cyangwa ni wowe wenyine ufite iyo product/service?

Urugero:
- Product:…
- Positionality: cheaper prices, original quality

TABLE 5: Template for unique advantage

Products/ services	Positionality (How each product/service positions you as unique/best)	Competitors
1.	--	--
2.	---	---
Etc.	Etc.	Etc.

4) Pricing strategy
Ni ibiki muzagenderaho mu ugena ibiciro byanyu? (you can combine)
Ingero:
- Muzashingira kukuntu namwe mwahenzwe mukora product (quality)?
- Muzashingira kubyo abakiriya bashaka?
- Muzashingira kuko ibiciro bihagaze ahandi bacuruza bimwe?
- Muzagena ibiciro ku buryo bukurura/ attract gusa abakiliya?
- Muzahanika ibiciro (kuko nta bindi biri ku isoko cg birusha ubwiza ibyanyu)
- Etc…(Izindi mpamvu muzashingiraho mugena ibiciro?)....

TABLE 6: Template for pricing plan

Products/ services	Ibyo muzagenderaho mugena ibiciro (prices fizing)	Explanation/ibisobanuro
1.	--	--
2.	---	---
Etc.	Etc.	Etc.

5) Distribution strategy/place

Ni gute muzageza product/services byanyu ku bakiliya? Kandi ni hehe bizakorerwa? Ni ukuvuga:
- Geographical distribution (aho producs zizaba ziri): urugero: depots muri buri karere,…
- Delivery methods (uko muzabibagezaho)
  Urugero
  - Directly: by customers coming and picking? home delivery? or internet or mail delivery? (kubigeza ku bakiliya direct—gucuruza detail)
  - Indirectly through intermediaries (kuranguza n'ababicuruza details nyuma)
  - Post-sale marketing? (guha abakiliya garantiy kubyo baguze bakaba babigarura bigize ikibazo…)

TABLE 7: Template for distribution plan

Products/services	Geographical distribution (aho mupanga gushyira izo products/services—depot?	Delivery strategies (uburyo bizabageraho (direct?, indirect?, post-sale actions?)
1.	--	--
2.	--	--
Etc.	Etc.	Etc.

6) Promotion strategy

Kumenyakanisha ibyo mukora (wakoresha uburyo bwinshi icyarimwe)
Urugero:

Promotion strategies and related methods
- Advertising: (method: amatangazo TV, News paper, radio, youtube, email, flyers…
- Publicity: gutegura ibiganiro kuri TV, radio, kumanika amafoto, …
- Sale promotion: (method: discounts, gift certificates, free trials,
- *Personal selling*: kujya kureba abakiliya ubashishikariza ubwiza bwa products/service zawe
- Events marketing: gutera inkunga events nka sport, gukoresha seminars, exhibitions/imurikagurisha, cg imyidagaduro
- Social media: Facebook, Instagram…

TABLE 8: Template for promotion plan

Products/services	Promotion strategy	Promotion method	Explanation (details)
1.	--		--
2.	--		--
Etc.	Etc.		Etc.

7) Communication with clients

Gukomeza kugirana ibiganiro/contact n'abakiliya (maintain communication) ukoresheje za social media, emails, …

TABLE 9: Template for communication plan with customers

Target audience/market	Communication method
1.	--
2.	---
Etc.	Etc.

8) Intellectual property Rights (IPR)

Ni gute bumva ibihangano byabo byaba protected?

Urugero rwa IPR methods: Patent? Trade mark? Trade secrets? Copyrights?

TABLE 10: Template for IPR plan

Products/serv ices (ubwoko bw'igihangan o)	IPR method (if necessary)	Indication: Ni lyihe property yanyu? (izina? Sign--- yigaragaze if applicable
1.	--	--
2.		
Etc.	Etc.	Etc.

9) Budgeting
Aha ni ukugaragaza uko strategies (ibyi bashaka gukora muri marketing) bizabahenda (ibizahenda cyane) n'aho bazakura amafranga
Urugero:
- o   Marketing activity: advertising. Publicity, sale promotion, …..
- o   Kugaragaza niba iyo strategy ari very costly or not
- o   Funding source: bank, savings…..

TABLE 11: Template for budgeting plan

Marketing Strategy	Expenditures			Funding source
	Higher Costly	Less costly	Lower costly	
1.	--	--	--	--
2.	--	--	--	--
3.	--	--	--	--
Etc.	Etc.	Etc.	Etc.	Etc.

1.   Marketing strategy implementation (action)

- o   **Specific marketing strategies** (actions plans) will be the same as the to marketing specific objectives that were designed put above): target audience, branding, unique advantage (biri mu ma table from table 3-11)
- o   **Marketing strategy Methods** (will be the same as the to marketing those that were designed put above)

TABLE 12: Marketing action plan implementation

Marketing strategies (action plans)	Methods	Responsibility (responsible person)	Time frame (reasonable time frames to carry out the activity)	Report back (time frame for reporting)
1 (ex: Target audience)				
2. Branding				
Etc.	Etc.	Etc.	Etc.	Etc.

2. Marketing strategy monitoring and evaluation

Refer to the same marketing <u>specific objectives-expected results</u> (should be the same as those you indicated in table 2)

TABLE 13: Marketing strategy   monitoring

Marketing strategic objectives	Responsibility (responsible person)	Time frame (reasonable time frames to carry out the activity)	Report back (time frame for reporting)
1.			
2.			
3.			
Etc			

TABLE 14: Marketing strategy   evaluation

Marketing strategic objectives	Responsibility (responsible person)	Time frame (reasonable time frames to carry out the activity)	Report back (time frame for reporting)
1.			
2.			
3.			
Etc			

15.   Annex II: list of interviewees

Listing Abbreviations	Per Sector
A	Film

B	Music	
C	Art.Plastic	
D	Performing Art	
E	Books	
F	Fashion,Modeling & Beauty	

N°	Name of interviewee	Code	INSTITUTIONS	Gender	District:,	Sector	Ages	Interviewer(s)
1	Charles Habyarimana	A	Societe De Production Audion Visuellee Et Multimedia	M	Nyarugenge	Nyamirambo	25-44	Omar & Clessa
2	Kwezi John	A	Rwanda Film Federation	M	Gasabo	Remera	25-44	Rugwiro & Clessa
3	Karemera Hassan	A	Ishusho Africa	M			25-44	Cardinal&Bonaventure
4	KOIGA-FDG	A	KOIGA	M	Kicukiro	Kagarama	25-44	Cardinal&Bonaventure
5	Muhire Housen	A	IBTC	M	Nyarugenge	Nyarugenge	25-44	Cardinal&Bonaventure
6	Celestin	A	Rwanda Culture Fashion	M	Kicukiro	Kagarama	25-44	Clessa Jean Marie
7	Mupenda Ramadhan	A	The Mane LABEL	M	Kicukiro	Niboyi	25-44	Clessa Jean Marie & Omar
8	Serge	C1	KAPRAKI	M	Kimisagara	Nyarugenge	25-44	Clessa & Omar
9	Claude	C1	KIKAS MUSIC	F	Nyarugenge	Nyarugenge	25-44	Clessa Jean Marie
10	Theodre	D1	Umurange Ukwiriyurwanda	M	Gasabo	Gatsata	25-44	Clessa & Omar
11	Birasa	C2	Birasa Ltd	M	Nyarugenge	Kimisagara	45-54	Bonaventrue
12	Munyeshuli John	C3	Movie Award	F	Nyarugenge	Nyarugenge	25-44	Clessa & Omar
13	Gatsinda Jean Paul	B1	Leader of prodution federation LAPO+LSAU	M	Gasabo	Remera	25-44	Clessa Jean Marie
1	Hbyariman	B2	Musanze	F	Musanze	Muhoza	25-	Clessa & Omar

4	a Stone		Radio				44	
15	Kibibi Jean De Dieu	B3	Art Plastic	M			25-44	Clessa & Omar
16	Aboudul	B4	Fashion Show	F	Nyarugenge	Nyarugenge	25-44	Clessa & Omar
17	Chantal Berwa	C1	Berwa Fashion Rwanda	F	Gasabo	Remera	25-44	Clessa & Omar
18	Umurerwa Ariette	ABF1	Director of Arts	F	Gasabo	Remera	25-44	Clessa & Omar
19	MINISPOC	ABF2	Director Culture	M	Gasabo	Remera	25-44	Clessa & Omar
20	INYUNDO ART-Center	AF3	Teachers of Art	M	Rubavu	Rubavu	25-44	Thomson
21	Flash Fm Journalist. Ibrahim	AB5	Journalist	M	Nyarugenge	Kigali	25-44	Clessa Jean Marie
22	Kalisa Rugano	A-F	Theatre,Film Writer	M	Kicukiro	Kigali	45-65	Omar Rugwiro
23	Mivumbi Ethienne	A-F	Radio Izuba	M	Kayonza	Eastern Province	24-40	Clessa
24	Salam Ski Ahumed	B	Wasafi Record Tanzania		Tanzania	Tanzania	24-40	Clessa
25	Malia Jeanne	A-F	MINISPOC	F			40-60	Clessa & Omar
26	Dr.Jack	A-F	RALC	M	Kigali	Rwanda	40-55	Clessa & Omar
27	Prudence	A-F	RALC	M	Kigali	Rwanda	40-55	Clessa & Omar
28	Godfrey Magallah	A	Filme Bong 5	M	Tanzania	Tanzania	25-40	Clessa
29	Mutesa Theodore	B	Music Investor	M	Kigali	Rwanda	25-40	Clessa & Omar
30	Uwineza Patric	A-F	Energy Radio	M	Musanze	Muhoza	25-40	Clessa & Omar
31	Edouard Mwema	B	Mukubwa Media Group	M	Kenya	Nairobi	25-40	Clessa & Omar
32	Tuyishime Josue	BD	Art Plastic/Musician	M	Kigali	Kimironko	25-40	Clessa & Omar
33	Zaituni Birungi	D	Comedy Store	F	Kampala	Uganda	25-40	Clessa & Omar
34	Omposer Denis	A	Film		Kampala	Uganda	25-40	Clessa & Omar

3 5	Bamutezi Thomas	E	Uganda Book Shop and Book Distributors	M	Kampala	Uganda	25-55	Clessa & Omar
3 6	Merley Boniface	B	Don Jazz Record	M	Nigeria	Nigeria	25-55	Clessa & Omar
3 7	Inema Art Center	C	Bankunze Innocent	M	Rwanda	Rwanda	25-55	Clessa & Omar
3 8	Red Rocks	C	Havuga Grege	M	Musanze	Rwanda	25-55	Clessa & Omar
3 9	Imigongo Art Center	C	Imigongo	M	Kayonza	Rwanda	25-55	Clessa & Omar

Work Plan Schedules PER SECTORS INCORPORATING IDEAS FROM VALIDATION MEETING ON DEVELOPING A DOCUMENT FOR MARKETING STRATEGIES FROR PROMOTION OF CREATIVE INDUSTRIES IN RWANDA

	13/03/2019-22/03/2019				
N 0	**Event**	**Dates**	**Dates**	**Responsible**	**Observation**
1	**Research on Field**	**13-15/03/2019**		Rugwiro+Clessa	Target is Film & Music Sectors
	Cite visit+Interviews		14/03/2019	Rugwiro+Clessa	
	Cite visit+Interviews		15/03/2019	Rugwiro+Clessa	
	Meeting at RALC		15/03/2019	Prudence RALC & Team	
2	**Research on Field**	**17-19/03/2019**			Target is Plastic Arts & Performing Arts
	Cite visit+Interviews		17/03/2019	Rugwiro+Clessa	
	Cite visit+Interviews		18/03/2019	Rugwiro+Clessa	
	Meeting at RALC		19/03/2019	Prudence RALC & Team	
3	**Research on Field**	**19-21/03/2019**	ongoing		Target is Books Sector & Fashion & Beauty
	Cite visit+Interviews		ongoing	Rugwiro+Clessa	

	Cite visit+Interviews		19/03/2019	Rugwiro+Clessa	
	Meeting at RALC		20/03/2019	Prudence RALC & Team	
4	**Final Report Analysis**	**22/03/2019**			In partnership with RALC,VIGAR+SWEEDEN UNIVERSITY