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Of video games, music, movies, and celebrities

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In the Fall of 2013, IJRM launched the Call for Papers for a Special Issue on the Entertainment Industry. There are many reasons that led us to believe that the timing was right for a special issue focusing on this particular field. They include: the industry has high economic importance in the global economy; with global entertainment industry revenues exceeding US $1.9 trillion in 2015. (Statista, 2016). The industry is quickly growing, and PwC estimates in its *Global entertainment and media outlook* that total worldwide entertainment and media revenues will rise at a compound annual growth rate (CAGR) of 5.1% to US $2.23trn in 2019 (http://www.pwc.com/gx/en/industries/entertainmentmedia/outlook/data-insights.html). Entertainment products account for a larger part of people's "consumed time" than any other product category. Technical advances have made entertainment a hotbed of innovation in both content creation and distribution. Digitization of media has also influenced the way people consume entertainment goods and services; the industry has both innovated to influence and to adapt to consumers becoming increasingly mobile and networked. The entertainment industry has high social and cultural significance, both at the level of "mass culture" and at the level of "high culture." Finally, the entertainment industry can teach other industries multifarious lessons which range from business storytelling—how to communicate and connect with employees, customers, colleagues, partners, suppliers, and the media—to permanent innovation to omnichannnel management, including how to deal with piracy, as well as with word of mouth and critical reviews.

The response to the Call for Papers was enormous and exceeded our expectations. We received sixty-two submissions. After a thorough reviewing and revision process, we accepted twelve papers for inclusion in the Special Issue that you have in front of you.[1] While a special issue cannot control the topics of the papers that are submitted and eventually published, we are pleased to see that this issue attracted papers that cover a diverse range of methods, concepts, and sectors. We can classify these papers into four different categories of topics: three articles dealing with video games, two with music, five with movies, and two with celebrities as their main focus.

Video games and music have been gaining attention by marketing scholars only more recently, with scholarly interest coinciding with the rise of digitalization and the business models and data that comes with it. The *video games* industry is booming, but content supplier must still confront the question of what to offer. Two papers deal with that issue. Healy and Moe show that, in making these decisions, suppliers should not just look at the size of the installed base of a particular device, but also at their innovativeness and recency (at what stage did the gamers adopt?). Sun., Rajiv, and Chu show that early adopters have different preferences for content. Early adopters seek a wide variety of games, whereas late adopters are focused on action-oriented games.

The particular hardware platforms in the gaming industry are only feasible for software compatible with these platforms. This generates network effects and makes consumers (gamers) think of the future availability of software. Steiner, Wiegand, Eggert, and Backhaus studied consumer expectations and preferences in this respect. Different segments have different preferences (for example hard-core gamers versus social gamers) and companies can benefit from selective targeting.

[1] Submissions in which one of the authors was also a guest editor were handled independently by the then editors of IJRM: Eitan Muller and Jacob Goldenberg.

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The *music* industry has witnessed major changes in the recorded music technology, from analog records to digital audio (CDs), next the transition to compressed digital audio (MP3), person-to-person networks (P2P) and then the launch of online music sellers, such as iTunes and Spotify. Digital recordings in principle provide consumers with unimpeded access to vast amounts of music. There are two hypotheses for the implications of digitalization: the Winner-takes-all hypothesis predicts convergence to a small number of songs and artists (blockbusters), whereas the Long-Tail hypothesis implies that easier access will spread the consumption over a larger number of items. Ordanini and Nunes examined to what extent each of these theories were confirmed in the technical transitions in the music industry, finding mixed results. Initially, there was a growing Winner-takes-all effect for songs, but this trend reversed after the advent of MP3, perhaps due to the convenience of services like iTunes. For artists it is different: increasingly fewer artists make it onto the top 100 charts. The result is more blockbusters by fewer superstars.

The emergence of on-demand streaming services such as iTunes and Spotify has raised a debate about the effects of their cannibalization of other music distribution channels, such as the purchases or downloading of CDs and their effect on total industry revenue. Wlömert and Papies examined this by observing a large panel of music consumers. They found that the effect of paid streaming services on revenue is clearly positive. For free streaming service (where consumers have to allow advertising) the revenue is positive for consumers who were relatively inactive (some of them are starting to also purchase music). The overall effect (paid and free streaming services together) is net positive.

Articles on the *movie* industry have been showing up quite frequently in academic marketing journals since the early 1980s, but the papers in this Special Issue deal with a number of original issues that have not been previously addressed. Drawing on the important role of teams for movies (but also for other entertainment products), the paper by Packard, Aribarg, Eliashberg, and Foutz looks at group composition for the cast and for the crew of a movie, especially how the group members are networked with others. They find that positional embeddedness (ties with well-connected others) is most valuable for the cast, whereas crews benefit more from junctional embeddedness (bridging sub-communities).

Piracy (unlicensed usage) is a big problem in the movie industry. Burmester, Eggers, Clement, and Prostka examine to what extent this problem can be fought by means of optimizing timing and pricing strategies especially aimed at consumers segments relying on unlicensed usage. It turns out that such users are sensitive to the marketing mix to some extent, but it is difficult to generate substantial additive revenue in this way.

It is well known that movie consumers are influenced by movie-reviews. Positive reviews bring more visitors to the cinema to watch a movie. Legoux, Larocque, Laporte, Belmati, and Boquet show that movie reviews also affect exhibitors' decisions. Movies with excellent reviews stay longer in theater, even after controlling for the previous week's box office (which reflect the direct influence on consumer choice).

Building on the experiential character of movies, the paper by Hart, Kerrigan, and von Lehn applies the Subjective Personal Introspection (SPI) method to examine how viewers make sense of film consumption. One finding is that viewers create their own classification scheme in term of film characteristics, viewing and situational environment. Genres can be helpful for prediction, but should be nuanced with more fine-grained elements of how viewers classify movies. More insights on the movie industry comes from Dhar and Weinberg, who disentangle the complex interactions of critics' ratings and consumer sentiment in nonlinear movie attendance models. Their work confirmed conventional wisdom that movie attendance is counter-cyclical, and added the interesting (and unexpected) finding that critics' ratings are most influential during economic downturns.

Finally, this Special Issue includes two papers on *celebrities*, a subject that is of relevance for all kinds of entertainment, ranging from authors to singers and movie stars. The matching of companies or brands with celebrities to influence consumer attitudes and firm value is the topic of the paper by Zamudio. Endorsement of a company/brand by a celebrity involves the bringing together of two personalities: the firm's brand personality and the celebrity's (super model or super star) personality. Studying seventy-nine endorsement contracts in the beauty industry shows that congruent contracts are not always successful and that, under certain conditions, celebrity buzz can be detrimental to the endorsement's value. In another study of celebrities, Mathys, Burmester, and Clement examine the factors that determine the popular interest in movie stars. Although an inverted-U shape relation was expected, it turned out that a film star's frequency of movie appearances has a monotonous positive relationship with consumer interest in the star. Therefore, from the perspective of popularity, movie stars should continue appearing regularly. Actor-movie fit has a U-shaped relationship with the market popularity of movie stars.

This special issue of IJRM represents the latest thinking and research in the field of entertainment. Its papers' geographical origins reflect the international nature of its subject of interest, with six papers coming from Europe, five from North America, and one from Asia. Of course, this Special Issue does not answer all the marketing questions related to the entertainment industry. However, it provides interesting building blocks that increase our understanding of what makes entertainment product appealing for customers and how to create attractive offerings. The papers in this issue cover several of the topics mentioned in the original Call for Papers. At the same time, there is ample room for additional work, for example on issues such as the role of creativity in generating new entertainment products and their distribution, business models and pricing in the entertainment industry, and the role of social media in creating demand for entertainment products. And, as we have argued above, the entertainment industry has many features that make it an attractive subject from a marketing point of view. We hope that this Special Issue will inspire even more work in this intriguing area.

We would like to thank the authors of the papers for submitting their work to this Special Issue, including those of the papers that did not make it to publication. We also want to thank the many expert reviewers who helped us in the selection and revision process. Finally, we like to thank Cecilia Nalagon for her truly excellent support in the paper handling process.

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