Of video games, music, movies, and celebrities

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A R T I C L E   I N F O

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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 omnichannel 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.
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. Wilomert and Papiès 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). Therefore, from the perspective of popularity, movie stars should continue appearing regularly. Actor-movie 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 star’s frequency of movie appearances has a monotonous positive relationship with consumer interest in the star.

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References


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