

# The Trouble With Indies

*With a host of problems and cutbacks in the independent world, directors are looking for ways to adapt to changing times.*

**By Lael Loewenstein**

Last June, in a speech that articulated what was already in the air, Mark Gill, CEO of The Film Department, proclaimed the independent film world to be in critical condition. In the months since Gill's L.A. Film Festival keynote address, his industry diagnosis has been dissected in the press and debated in chat rooms, parsed in blogs and quoted in corridors. Given the precarious state of affairs—the recent elimination or systematic diminishment of distributors; withering of investment funds, rising marketing costs; marginalization and termination of critics; overall product glut and a myriad of other factors—did Gill have it right? Is “the sky really falling [on independent film]?” Or, to paraphrase Mark Twain, are reports of the imminent death of indie film greatly exaggerated—and is there any possible upside to this somber picture?

The answer depends on whom you ask. For distributors and exhibitors, the industry retrenchment brings a host of strategic challenges and cost-cutting measures. For filmmakers, however, the new paradigm could be a blessing in disguise. Not only might a less crowded marketplace serve as a production stimulus, but the growing availability of distribution alternatives has helped to democratize the process. Director Wayne Wang (*The Joy Luck Club*, *Smoke*), for example, credits the recent events with having opened doors, noting, “I’ve never been more encouraged.”

That said, the odds of success are not in most filmmakers' favor. Gill noted that of the 5,000 annual Sundance submissions, 100 or fewer are released theatrically. In today's market, maybe only five of those would be likely to make their money back. “Put another way,” said Gill, “if you decide to make a movie budgeted under \$10 million on your own tomorrow, you have a 99.9 percent chance of failure.” You might have a better chance of landing a vice presidential nomination.

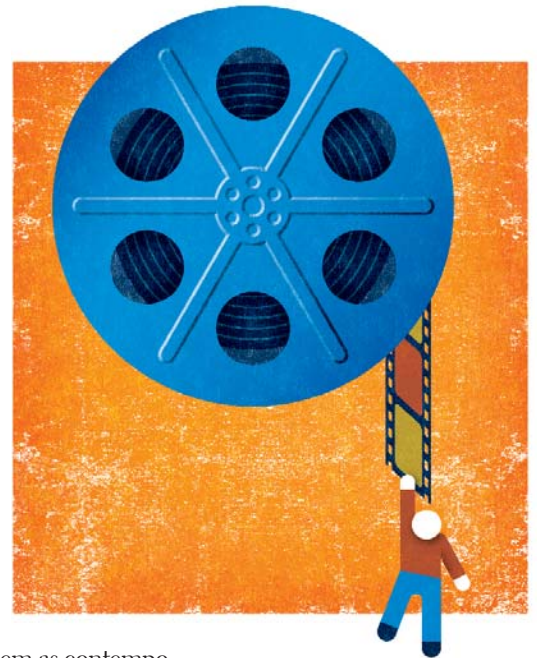
“It's like a lottery scenario,” says Magnolia

Pictures President Eamonn Bowles about the risky practices that led to the undoing of distributors. “It was a false economy: Mini-majors were chasing Oscars and [indulging in] profile spending, which only brought them perceived success. Advertising dollars were being spent in woeful disproportion to a film's box office potential.”

In the case of Paramount Vantage, which has since been folded into the parent company, critical hits like *Babel* and *There Will Be Blood* spawned illustrious print campaigns that touted them as contemporary classics and drew comparisons to sprawling studio epics of the past. But the films' domestic hauls fell well short of expectations: Made for around \$25 million apiece, they grossed only \$34 million and \$40 million respectively.

By keeping an eye on costs and investing in innovative distribution strategies, companies like Magnolia and IFC have mostly been able to dodge the bullet that hit so many of their competitors. Those are hard-fought lessons born of experience, says IFC Entertainment President Jonathan Sehring. “You can't apply studio economics to the independent film business, [so] we're looking at alternative models.”

Like Magnolia, IFC has essentially collapsed the gap between its films' theatrical release and video-on-demand (VOD) availability, a model that's becoming increasingly prevalent. Further diversifying its strategy, IFC has partnered with Blockbuster to highlight its titles, allowing it to emerge as one of the few success stories in independent film distribution, and one of the few, claims Sehring, that is able



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to send money back to producers with any regularity.

In some cases, however, a filmmaker seeking a wider release platform might opt for the do-it-yourself (DIY) approach. That's what happened to Lance Hammer's Sundance hit *Ballast*, when producers opted to self-distribute rather than take the deal IFC offered. "Lance wanted to be in control of his own destiny," relates Sehring. Yet despite the apparent rewards of self-distribution—control of product—it can demand a major sacrifice from the novice DIY-er. "What filmmakers want to do," observes Sehring, "is to make movies. If they want to be doing distribution it'll mean a year and a half to two years they'll be working to distribute the film [instead of] making movies."

"I don't really believe in self-distribution because it does take a lot of time," says Wang. "But to take control of things when no one wants to do it...a filmmaker needs to take on that responsibility, especially in the early days of Internet distribution."

Self-distribution is as troublesome to conventional distributors as VOD and nontraditional viewing options are to exhibitors: both could undermine the existing models. But Laemmle Theaters President Greg Laemmle downplays the threat, pointing to the historical challenges that theatrical exhibitors have had to meet and overcome. VOD, notes Laemmle, is just the latest in a line of technological innovations to affect exhibition, including television, the VCR, premium cable, and DVD.

"People don't have to go to theaters, but they still go," says Laemmle. And film fans may be intrigued by the new technology, but he insists "there's no substitute for the theatrical experience, the opportunity to see films in a public space at a reasonable price." Banking on that belief, Laemmle is continuing to build "blended theaters" that offer space for mainstream films alongside smaller screens. As proof of the theatrical muscle still left in indie film, he points to summer success stories like *Tell No One*

(*Music Box*) and *The Visitor* (Overture).

Another, the Kazakhstani Oscar nominee *Mongol*, from the now-defunct Picturehouse, has also shown theatrical legs. Outgoing Picturehouse President Bob Berney points to *Mongol's* success as a testament to the enduring loyalty of indie film audiences. And though his job officially ends in October, Berney insists he's still optimistic. "Clearly it's a tough time," he admits, "but all of these changes don't mean the audience has gone away from watching independent films." Noting that the fluctuations are typical of market-driven cycles, Berney thinks a reduction in product will serve to stimulate an industry that has clearly suffered from overcrowding.

Veteran filmmaker Tom DiCillo (*Living in Oblivion*, *Delirious*) feels that the label "independent" has long since lost its value. Pointing to the 1994 release of *Pulp Fiction* as a watershed moment, DiCillo notes that once the Miramax-released Tarantino film passed \$200 million internationally,



“suddenly there was no such thing as ‘independent’ film anymore, and there was this lunatic hysteria attached to the idea of making films for next to nothing.” For years, indie distributors have emulated Bob and Harvey Weinstein’s model, turning out critic-pleasing films launched amid buzz at prestige festivals like Sundance. But that well has gone dry. “If the critic is in danger,” notes DiCillo of the domino effect created by recent layoffs, “then the entire stricture is collapsing.” Without quote ads to trumpet their films, “the distributors will have no power to get people into theaters.”

So what about the alternatives? “I have severe doubts about the Internet,” DiCillo says. “I don’t see these little forms of release as a solution. Film is, and should be, a group experience, but it’s becoming byte-sized. With the attention required to find and click [lasting] about two minutes, movies will be instantly forgettable.”

While DiCillo says he finds the notion of watching films on little screens and iPods

distasteful, Wang is effusive about the possibilities. In fact, he’s releasing his new film, *The Princess of Nebraska*, exclusively on YouTube’s new streaming portal, Screening Room, in October with no theatrical release. “The Internet is exciting; it’s the future. As a filmmaker, you just want to work, not be dependent on someone else’s checkbook. For the first time, I can have total control and access to [production] technology and distribution. I have the tools in my hands: I could use my cell phone to shoot a feature, edit it on my computer using Final Cut, and with a little help, get it on YouTube.” Whereas Wang allows that the means for a profitable Internet release are “not all there yet,” in his case, the Internet has allowed his films to reach a new audience in China, where they might never have been released theatrically.

If DiCillo is a passionate purist who’s skeptical of Internet film distribution, and Wang welcomes digital technology’s innovations, Lisa Cholodenko (*High Art*, *Laurel Canyon*) finds herself somewhere in the

middle. “On the one hand,” she says, “digital technology opens up a world of possibilities. Anyone who wants access to something can post it on YouTube. There’s so much more available for immediate viewing now. But on the other hand, given the way I came to film—with an appreciation for the art form—I see it in a place of crisis.

“There was a sensibility to indie film that was so ripe and fresh and happening in the ’90s,” continues Cholodenko, alluding to the period when she made her own debut feature. “What made it work was the scale of the budget relative to the purchase price. But once indie film got hot, that all became askew, and the balance got off kilter.”

Cholodenko acknowledges that the digital revolution has brought about a paradigm shift, one she accepts with ambivalence. “To me, there’s still nothing like sitting in a theater, watching a film in widescreen with great projection and Dolby sound,” she says wistfully. “But if this is how it’s going to be, then I’m open to it. That’s the tide of change.” ♦

