Box office success linked to blogging, study finds

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Movie attendance peaks during the holiday season, and studios capitalize on this by releasing dozens of new titles between the end of November and the new year, with much of a movie's box office success predicted by opening weekend.

Though it would seem that studios have little control over public reaction to their movies, a new study by Pradeep K. Chintagunta of the University of Chicago Booth School of Business reveals some factors that studios can control to boost how their movies perform at the box office, particularly in local markets.

The study appeared in a recent issue of *Management Science*.

Chintagunta, together with Shyam Gopinath of the University of Utah, and Sriram Venkataraman of the University of North Carolina at Chapel Hill, examined the pre- and post-release performance of 75 movies released in 2004 in 208 geographic markets in the United States across three measures: nationwide consumer- generated blog volume; blog "valence"—a positive or negative sentiment written by a blogger—and studio advertising.

The study revealed that gender, income, race and age of the local population are the biggest indicators of how a movie will perform in individual markets.

Among the study's most notable demographic findings:

- Blog readers tend to be young, so the local readership will likely mimic the area's demographics. If the population skews older, blogs will have less impact on moviegoers' behavior.
- The biggest impact on box office performance is gender. A higher proportion of women in a population lowers box office performance with respect to blog valence and advertising much more than any other demographic feature. Having more women in a market makes it less sensitive to blog sentiments and less sensitive to advertising; having more young consumers in market enhances the impact of blog volume but lowers the effect of blog valence; and high income markets are less responsive to blog sentiments and advertising.

Taken together, these findings suggest that studios engaging in spot advertising may want to reduce their advertising in markets with higher income, as well as those with more women and more young consumers. Furthermore, markets with larger white populations are more sensitive to advertising—studios might want to direct more advertising in these markets. At the same time, markets with large white populations are less sensitive to blog valence.

Notable findings on specific geographic preferences include:

- The markets highly responsive to advertising seem to be concentrated in the Midwest, and the markets less responsive to both blogs and advertising seem to be in the East Coast.
- Several large markets for box office revenues, such as Denver, Los Angeles and Chicago, rank high for being sensitive to "buzz." These same markets, however, are much less sensitive to blog valence and advertising.

These rankings can provide studios with information on how to target release markets, especially if a movie is in limited release. For instance, if a studio wanted to generate pre-release buzz by having special events around a movie, Chicago and Denver would be smart markets to choose. And if a studio wants to market its advertising more judiciously, cities like Charlottesville, Virginia, or Marquette, Wisconsin, are smart bets.

Provided by University of Chicago Booth School of Business

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