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“Twitter effect” is no Hollywood myth, study shows

Academics analyse four million tweets to show that Twitter influences whether a movie is a box office hit or miss

Microblogging service Twitter can help sway the success of blockbuster movies in the space of just 24 hours, a new study has revealed.

Twitter messages sent by cinema-goers to their network of followers can influence whether a movie becomes a box office hit or miss in the opening weekend.

The findings come from a study by London’s Cass Business School and the University of Muenster, in Germany, which looked at how microblogging word of mouth is transforming consumer behaviour and the success of newly-launched products.

Since *Bruno*, the Sacha Baron Cohen comedy, saw its box office takings plummet from \$14.4 million on the opening night to \$8.8 million the following day, Hollywood producers have debated the existence of the “Twitter effect”.

But new evidence from a working paper - titled ‘*Exploring the “Twitter effect”: An investigation of the impact of micro-blogging word of mouth on consumers’ early adoption of new products*’ - suggests it is no Hollywood myth.

In the study, the largest of its kind, academics analysed more than four million Twitter messages sent by movie-goers throughout the opening weekend of 105 films widely released in North America between 2009 and 2010.

Taking in blockbusters such as the *A-Team*, *Inception* and *Sherlock Holmes*, the authors scanned the sentiment of every Twitter message sent within the first 24 hours of a movie’s release on Friday to see its impact on Saturday and Sunday box office takings.

“We found that sentiment spread via Twitter immediately after a new movie’s release systematically influences other consumers’ decisions about whether to attend a screening of the movie during the remainder of its opening weekend,” said co-author, Dr Caroline Wiertz.

“This “Twitter effect” holds even when controlling for other known influencers of movie success, such as production budget, pre-release advertising spending, pre-release “buzz” about the movie, professional critics’ ratings, star actors, and so on.”

She added: “However, it does matter who the main target audience of the movie is. Movies aimed at families are less affected by Twitter sentiment than others.”

According to the study, the “Twitter effect” could have striking consequences for the movie industry.

Before the advent of Twitter, consumers were forced to make purchasing decisions based on the skewed information provided by film producers.

But the rise of microblogging word of mouth means cinema-goers can now instantly share good or bad reviews with vast networks of followers, influencing box office sales at a much earlier stage in a movie's life. In fact, analysis of the collected tweets revealed that cinema-goers typically sent evaluations of the movie they had just seen at around 10pm on Friday night – when they were leaving the cinema.

For Hollywood filmmakers, who rely on the opening weekend to generate on average 46 per cent of ticket sales, a rash of poor early reviews severely reduces their chances of redeeming their investment, while positive early reviews might give them a boost.

“Prior to Twitter, word of mouth could not spread quickly or widely enough to influence the opening weekend sales of newly-released movies. With consumers in the dark, it almost guaranteed success for films which stimulated a strong enough ‘buzz’ through heavy advertising,” said Dr Wiertz.

“But the unprecedented speed and influence of micro-blogging has dramatically reduced the advantage producers hold over consumers. Audiences are sharing personal reviews of new movies immediately, even while sitting in the cinema, which we show is influencing the decisions of other consumers and the movie's early box office success.”

To further test their results, the authors compared the 105 movies from their sample with 105 “statistical twins” - similar movies released before Twitter became a mass phenomenon.

“We included the average quality rating from a popular review site for each of the movies in our comparative sample. If our predictions hold true, this quality rating should not affect the opening weekend box office success for the movies released in the pre-Twitter era, since consumers had no means of spreading such information quickly and widely enough before the rise of Twitter. It should, however, have an impact for the movies in our Twitter sample. This is exactly what we find,” said Prof Thorsten Hennig-Thurau.

As a result, Hollywood executives may need to radically re-think their business models to cope with the impact of Twitter on the early adoption of movies. “Expensive pre-release advertising campaigns will not be able to drive audiences much beyond the opening night. Film producers who previously held an information advantage over consumers on the quality of a movie are now at the mercy of micro-blogging,” added Dr Wiertz. “This will level the field and give smaller, independent films a better chance to compete.”

“Producers might want to return to a more word-of-mouth-driven business model, though such an option conflicts with the high budgets allocated to the production and marketing of blockbuster titles. No company can afford to invest \$250 million in a movie and only show it on very few screens. Such a business model would suggest the beginning of the end for big budgets and blockbusters.”

Exploring the “Twitter effect”: An investigation of the impact of micro-blogging word of mouth on consumers' early adoption of new products is a working paper by Dr Caroline Wiertz, Cass Business School, Professor Thorsten Hennig-Thurau, Cass Business School and University of Muenster and Fabian Feldhaus, University of Muenster.

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