

Article

Design Thinking Approach in International Markets: Implications for the Movie Industry

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Keywords: design thinking, international markets, movie industry

<https://doi.org/10.46697/001c.90395>

AIB Insights

Vol. 24, Issue 1, 2024

The proposed human-centric design thinking-based movie internationalization framework suggests the impact of three critical components – desirability, feasibility, and viability – for achieving better audience engagement and box office revenue at the global level. We explain the various factors pertaining to these components mediated by content relatability but moderated by country culture and content genre in enhancing performance. We argue that relatable movie content in a conducive country environment, such as regulatory structure and norms, cross-border trade-related norms, and socio-economic structure, will persuade production houses to launch movies there, leading to a higher likelihood of its consistent global reach and success.

INTRODUCTION

In the wake of digitization and the massive rise of streaming services, the entertainment industry, particularly the movie industry, is breaking global boundaries and unconventionally taking multicultural content to a much more comprehensive range of global audiences. Therefore, international markets have become more prevalent for the movie and entertainment industry, where locally produced movies can leave more global footprints than expected. Globalization of the movie industry across production, capital flows, talent and markets has created vibrancy and scale in the industry. Hence, the potential contribution of the movie production and distribution industry worldwide is expected to be multi-billion US dollars in the years to come.¹ Further, since the movie industry has been crossing global borders, exhibiting and nurturing significant potential for travel and tourism as evidenced by movies and movie franchises filmed in countries such as Switzerland (movies like *Dilwale Dhulaniya le Jayenge*, a Bollywood movie translated into English meaning as *The Good Hearted Will Take the Bride Away*; James Bond movies) and in the UK, Canada, Australia and New Zealand (e.g., *Lord of the Rings*), and receiving substantial acceptance from global audiences. Such an international traction is helpful for the

industry by generating more value in terms of revenues, acknowledgements, awards, and glory as well as creating an impact on society and policymakers with the flow of art, culture, and talent across the boundaries, developing harmonious and conducive relationships.

However, worldwide, only a few movies produced in the local context have gone global let alone witnessed international success. Movies such as *Parasite* (a Korean movie) (2019) collected around US\$209 million from international markets out of a gross collection of about US\$263million²; and *Andhadhun* (a Bollywood Movie, *Blind Tune* in English) (2018) collected approximately US\$61million from the international box office out of about US\$62 Million,³ was more successful in the international market than in the domestic market. At the same time, many movies did not do well in the domestic or international markets. For example, *Ram Setu* (a Bollywood movie, English meaning: *Adam's Bridge*) (2022) was shot with a strong star cast at an overseas location, and the movie was a big failure. The movie production cost was around US\$20 million and could not even recover the cost with domestic and international revenues of US\$10 million and US\$1 million,⁴ respectively.

It is observed that the typical attraction (locally or globally) for a movie depends on the ability to tell a story (e.g., *Crazy Rich Asians*), star power (e.g., *Top Gun*, *The Scent of a Woman*), marketing (e.g., *The Fast and the Furious*, *Bahubali*

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1 <https://www.statista.com/statistics/326011/movie-production-distribution-industry/>.

2 https://www.boxofficemojo.com/title/tt6751668/?ref=bo_se_r_2.

3 https://www.boxofficemojo.com/title/tt8108198/?ref=bo_se_r_1; IMDb Pro.

4 <https://www.bollywoodhungama.com/movie/ram-setu/box-office/>; www.boxofficemojo.com.

- *The Conclusion*) and genre fitting with the season (e.g., *Sleepless in Seattle*). Further, Choi and Kumar (2022) show that specific characteristics of the movie screenplay, which include both the physical aspect (e.g., number of characters, outdoor scenes) and the emotions (ratio of positive to negative), influence the box office success domestically and, to some extent, globally. Basuroy et al. (2003) highlighted the moderating role of star power and budget in the success of movies. Subsequently, Rubin, Mohr, and Kumar (2022) identify factors related to *film*, *channel*, and *marketing*—contributing to audience engagement (defined as a *psychological state pertaining to the quality and quantity of the relationship that audiences have with entertainment products*) in the movie industry. Audience engagement can lead to box office success, as shown in the customer engagement literature (e.g., Kumar & Pansari, 2016). However, the above-suggested factors may only play a small part in predicting international success, leaving room for exploring those critical dimensions and factors towards global success.

CONCEPTUALIZING INTERNATIONALIZATION OF MOVIES: WHAT, WHY AND HOW

Worldwide, most movies are still produced with an ethnocentric orientation, targeting the local audience. Until a decade ago, there was a question: Is it necessary for a movie to be globally successful when a large, profitable domestic market is available? Given the increasing financial risk attached to the movie due to the increase in production budgets year over year, it makes business sense to expand the footprint across borders and generate revenues in hitherto unexplored geographies. Hollywood movies have a market footprint of about 75 countries across the globe, and the industry has become a powerful economic engine fuelled by computer-generated imagery-based storytelling, performing arts and marketing innovation (e.g., *Mission Impossible*, *James Bond* and *Harry Potter* franchises). The South Korean industry has also created significant international traction with a mix of impactful storytelling based on universal emotions (e.g., *Parasite* released in 2019). Such an international-level success provides movie production houses leverage to take a broader perspective and earn more profits and global brand equity.

Therefore, it would be a good idea for movie production houses to understand what makes a movie ready for a global audience, and how they can attract the attention of global audiences to achieve better box office success. In the movie business, where there is no guarantee of the product's success even in the familiar domestic market, a bigger challenge is to ensure success in international markets. It would be worth exploring whether there can be a recipe for the

movies to be successful in international markets. What approach should the production house adopt while creating a blueprint for the movie's success at a global level?

DESIGN THINKING AND MOVIE INTERNATIONALIZATION

In this regard, the three-circle IDEO framework, coined by Joe Gerber and CoLab, based on a *human-centric design thinking approach*,⁵ guides how all the critical pieces of any business can work together to bring business sustainability. The human-centric design thinking approach has been mainly deployed in product innovation and marketing as a way towards sustainable adoption and diffusion of an innovative or new product. In the international movie context, human-centric becomes global audience-centric. The design-thinking approach is characterized by *desirability*, *feasibility*, and *viability*. The *desirability* component allows a firm to ponder: What is the unique value proposition offered to the users? Do the users want this value proposition as a given product or service? Does it make sense to them? *Viability* emphasizes: Can a firm build a sustainable business for itself? Does the firm have all the required resources in place (or can they be procured reasonably), to design and get the product to the market? What are the costs involved? *Feasibility* explains: Is a favorable environment available to make the product workable in the foreseeable future? In this article, we try to integrate the human-centric design thinking approach in the movie production context to explore whether the suggestive approach can help production houses achieve the desired global reach and success.

Employing the three-element IDEO design thinking approach makes it apt to understand the process of movie internationalization for the following reasons. First, movies touch human lives in various ways; while the primary goal is quality entertainment, they also create awareness, inspire, motivate, depict societal trends, and generate open discussion and debate among their target groups – the discerning audience. Moreover, the tenet of the IDEO approach is human-centric, which integrates the varied needs of people across segments and contexts. As a result, it generates sustainable outcomes and impact required for any movie project to go international. Next, we discuss all the critical elements in detail.

DESIRABILITY

In the movie context, *desirability* describes the critical elements a project should have to make it attractive for all stakeholders. The desirability component for a movie begins with the project idea (i.e., the *movie script*). Moreover,

⁵ This is an idea that originated from IDEO in the early 2000s (<https://www.ideo.com/blogs/inspiration/how-to-prototype-a-new-business>). IDEO designed the first manufacturable mouse for Apple and has long been at the forefront of creating change through design. The company also advanced the practice of human-centric design, Human-centric is wherein “individual (cognitive) and social (collective & contextual) dimensions of every single end-user and all end-users combined are taken into account” (Human & Cech, 2021).

to have a global appeal, all the critical elements of the script should be aligned (i.e., story elements, literary elements, screenplay elements, visual and musical elements), and the universal nine human emotions (known as NAVRAS⁶) embedded in it. A fine combination and balance of all these elements provides a base to any project in order to attract the audience. Furthermore, achieving the intended financial and non-financial goals is necessary for any production house to initiate a movie project. *Financial elements (goals)* include achieving the forecasted revenues from the given project. The revenue can be achieved from various sources – box office collection, dubbing/remake rights, music rights, Over the Top /Direct to Home/Television transmission rights, airborne rights, and digital/internet protocol and merchandise-related rights. In contrast, *non-financial elements (goals)* contain myriad reasons why a production house would wish to indulge in the project apart from the inherent financial reasons. For example, creating societal impacts (such as awareness about social anomalies – child marriage, female feticide, caste and color-based discrimination, LGBTQ, gender issues, women empowerment, and terrorism), contributing to art and culture by adding aesthetics to society's fabrics, and to further enrich the brand equity for their production house. Not every production house intends to indulge in non-financial elements; however, the production house focussing on this brings more acceptability among global audiences. The degree of the encompassing desirability elements motivates and prepares any production house to go global.

VIABILITY

The *viability* component contains the resource requisites for a production house to develop and distribute movies in global markets. In the movie business, *funds (financial budget)* are the principal resource requisite towards performance (Basuroy et al., 2003) and for integrating other critical factors into the production system, such as talent, technology, global partnership and conglomeration with movie agencies and market gatekeepers, print and advertising (P&A) spending, and distribution network size. Availability of funds enhances the production value further by hiring experts for visual effects (VFX), sound, music, direction and cast to create impactful movie content. An effective P&A campaign also requires a thorough understanding of the market and context to remain relevant and send positive signals to the audience (Basuroy, Desai, & Talukdar, 2006).

FEASIBILITY

The feasibility component deals with whether a firm can make solutions or capabilities within for the business to look healthier and more sustainable. In the movie context, can a production house build the required operational strengths to create a global impact project? In the movie and entertainment context, content and its contextualization have been considered the key to achieving success and crossing boundaries to reach international markets. In other words, '*local content/context, international appeal*' is the buzzword to remain successful in global entertainment/movie markets. The movie makers and directors' acumen and command over the context and ability to deal with contextual nuances and related narratives set the stage for successful differentiations - creating a global appeal. Additionally, the exposure of production houses to global-level practices and the ability to customize and adapt is a major consideration in global-level success. Nonetheless, it is critical for movies to have a star cast with a global acceptance blended in local texture, a cultural context, which attracts global level curiosity and a global level acceptability of a filmmaker (movie directors) having experience in dealing with and tying up the multiple cultural contexts.

Further, the ability of a production house to *customize* and *adapt* literary techniques (i.e., language, style and diction, sub-titling/dubbing, social media messaging and movie titles), as per the context, culture, social values, and norms, is critical for establishing a better connection with the audience. In other words, production houses may prefer employing a polycentric orientation (suggesting that each country in which a firm does business is unique and the firm must accordingly adapt and develop business and marketing strategies to succeed; see Perlmutter (1969)) when launching a home country movie in a host country. These operational adaptations and local contextualization engender the content relatability among the audience, leading to vast global acceptance. For example, the Bollywood movie *Andhadhun (Blind Tune)*, a big success in China, changed its title to *Piano Player* and added a contextual subtitle for better relatability. Likewise, another Bollywood movie, *Dangal (Wrestling Competition)*, a blockbuster in China, was renamed *Shuai Jiao Baba (Let Us Wrestle, Father)* with relevant language translations. Furthermore, the Chinese audience can identify and relate to *Dangal's* content, given that the movie's context was wrestling (a known Chinese sport).

If the production house can bring all three critical design thinking-based components together, the audience will likely feel more relatable to the given content and display relevant engagement.⁷

⁶ Bharat Muni (a great Indian sage and one of the most renowned figures in Indian classical dance and music) defined the nine *rasas*, or *Navras*, that form the basis of all human emotion: *Shringara* (love/beauty), *Hasya* (laughter), *Karuna* (sorrow), *Raudra* (anger), *Veera* (heroism/courage), *Bhayanaka* (terror/fear), *Bibhatsya* (disgust), *Adbhuta* (surprise/wonder) and *Shantha* (peace/tranquillity) (Gumber, 2022).

⁷ According to engagement theory, the customer engages with a firm directly through his/her purchase and repurchase of the product; and indirectly by providing referrals of potential customers, spreading positive word of mouth about the product on social media and hence influences the potential customers, and providing valuable feedback to the firm (Pansari & Kumar, 2017).

RELATABILITY

In the given movie context, the *relatability* (of the content) can be viewed as a mediating variable between the three design components and audience engagement. Relatability can be defined as a situation where an ordinary person might feel connected and identify the self, primarily a non-linguistic concept, mediating the storytelling content and engagement (Atiq, Abid, Anwar, & Ijaz, 2022) and providing a sense of ‘sameness’ where humans are intrigued (Magladry, 2019). In the global market, relatability can unlock mental blocks and develop content acceptance across a global audience. Emphasizing “NAVRAS - the universal nine human emotions” can produce high relatability if it is well embedded in the given content, as displayed in *House of Cards*, *The Money Heist*, and *The Wolf of Wall Street*. Relatability is vital in bringing global placement and appeal to any movie. In this regard, the choice of *genres*⁸ and the audience *culture* (Akdeniz & Talay, 2013) are expected to moderate relatability because both provide a sense of oneness and belongingness to the audience. For example, if the genre is drama-dominated, a larger audience indulges in it; similarly, if the movie is action-dominated, a select audience will relate to it better. Likewise, the dominant cultural dimensions⁹ are expected to moderate the impact of desirability, feasibility, and viability components on relatability. For example, it may be less likely for a person from an individualist culture to relate to the content encompassing the collectivism of family and society. It is expected that once the desired degree of relatability is realized across global audiences, the content will possibly be appealing to foster global audience engagement. However, the influence of relatability on global audience engagement is anticipated to be moderated by *environmental characteristics*, encompassing regulatory structure and norms (dictated by the censor board), international integration (reflecting a globally pervasive issue), cross-border trade-related norms (acceptability of foreign movies due to political boundaries), and socio-economic structure (hierarchical needs) facilitating the internationalization process of the movie/content.

GLOBAL AUDIENCE ENGAGEMENT AND BOX OFFICE REVENUE

Based on *global customer engagement* (Gupta, Pansari, & Kumar, 2018) and the *audience engagement* (Rubin et al., 2022) concept in the literature, we propose *global audience engagement as a psychological state pertaining to the quality and quantity of the relationship that global audiences have with localized entertainment products*. Literature suggests that a higher level of engagement leads to higher revenues

and profits (Kumar & Pansari, 2016); hence, in the movie context, we anticipate that a higher global audience engagement leads to higher box office revenues (e.g., movie franchises such as *The Lord of the Rings*, *Harry Potter* and *Frozen*) worldwide.

The relatable content in a conducive business environment will allow the production house to potentially collaborate to launch the movie in a specific country, thereby suggesting a higher likelihood of success in terms of audience engagement, both direct and indirect. Further, the direct and indirect engagement, (i.e.), the performance at the box office and reviews, generate valuable insights for the production houses, providing feedback for enhancing the design thinking approach.

INTERNATIONALIZATION SUCCESS

The suggested framework is demonstrated by the case of the Indian film *Muthu*¹⁰ (1995), with star power and superior script, storytelling fortified with appealing song and dance sequences. It had an Oscar Award-winning music composer and a technology team, reflecting on three components of the design thinking approach – *desirability*, *viability* and *feasibility*, became a massive success in the domestic market (i.e., India). Further, the production house identified potential for the content in Far East markets, particularly Japan and South Korea (*genre* and *relatability*). The production house retitled *Muthu* as *Dancing Maharaja* (*Odoru Maharaja* - 1998) and collaborated with academia in Japan to ensure the appropriate customization for the Japanese audience. It also collaborated with the Government of Japan, the External Affairs Ministry of the Government of India and Japanese distribution/exhibition companies to position the movie (*customization* and *environmental support*). The Japanese title *Dancing Maharaja* leveraged the song and dance aspect of the movie, and the word *maharaja* reinforced the story context (the period) and the Indian origin of the film. The movie became not only a huge box-office success in Japan in 1998, with revenues of US\$40 million across multiplex, television, home video and merchandising (*direct audience engagement*) but also was called a “cultural ambassador” by the Japanese and Indian media, promoting economic, cultural, and diplomatic relationships between India and Japan, a great recognition for a movie to be successful in the global marketplace (*indirect audience engagement*). This movie exhibited all the critical components collectively for achieving a successful audience engagement: desirability, in terms of generating revenue and contributing to culture and art with a strong script; viability, in terms of allocating funds, technology and skillset; and feasibility, in terms of bringing local contextualization, customization and adaptation. Naturally, relatability in the

⁸ *Genres* is defined as a particular type or style of literature, art, film or music that you can recognize because of its special characteristics.

⁹ We suggest the influence of six Hofstede culture dimensions in the proposed relationship and framework.

¹⁰ This movie was released by Kavithalayaa Productions (the joint managing director of this production house is a co-author of this manuscript). The English meaning of *Muthu* is “pearl”.

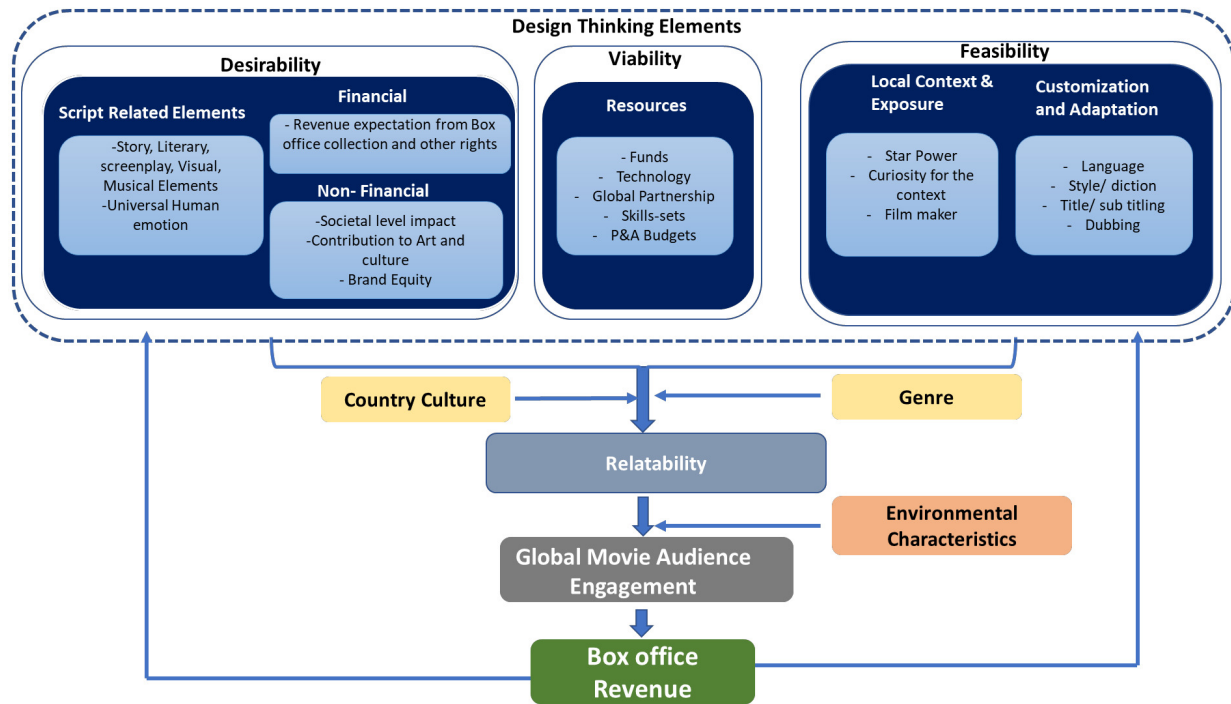


Figure 1. Human Centric Design Thinking Approach for the Internationalization of Movies

story context, genre and culture, and environmental support ensued. Overall, this movie exhibited all the necessary components to successfully bring audience engagement in international markets.

Another example, *Parasite*, a Korean movie (2020), which became a big success overseas and won the Academy (Oscar) award, demonstrated that the global audience could relate to the amalgamation of universal human emotions and genres such as comedy, tragedy, imagination, and action presented in a localized context. The success of the movie attributes to many elements, such as the facilitating environmental characteristics of the country (i.e., the Korean government's enhanced focus on the importance of cultural and creative industries) has boosted the Korean economy and provided strong support to the growth of creative industries. Though *Parasite* was a story, which was deeply embedded in localized context, it was understandable by the global audience. The director's experience with the context and acumen of narrating the story was globally engaging and impactful. Similarly, a recent Oscar award-winning movie, *Everything Everywhere All at Once*, released in 2022, exhibited all forms of emotions, resulting in international success. The audience could better relate to the content of this movie because one could see that different characters exhibit different emotions.

Following the design-thinking approach-based framework (see Figure 1), it is evident that a movie's international success depends largely on how much the audience can relate to and accept the content and whether the production house can provide a degree of customization.

CONCLUSION

Not every movie can be easily adapted and customized to an international audience. Some cultural factors, like local sensibilities and religious affiliations, may lead to a global acceptance and appeal of the story.

The suggested framework provides a workable approach for movie production houses that intend to go global. Given that the movie industry deals with higher business volume and is growing exponentially due to the adoption of over-the-top platforms, international business (IB) researchers must pay more attention to explaining the variations in global performance beyond culture. Further, this study should motivate international marketing (IM) researchers to adapt and implement plausible theories used in the IB literature, especially for launching movies in international markets. This article opens further discussions and debates on whether the entertainment business, an amalgam of art, culture and business, can be studied as a science with the right tools and relevant knowledge to ensure critical and commercial success in the international marketplace.

AUTHOR BIOS

Shaphali Gupta is the Mani Ayer Chair Professor of Marketing at MICA, The School of Ideas, India. Her research on innovation, engagement, emerging markets, new-age technology and marketing strategy has been published in quality journals, including the *Journal of International Business Studies*, the *Journal of the Academy of Marketing Science*, the *International Journal of Research in Marketing*, the *Journal of Retailing*, *Journal of International Marketing*, *Journal of Ad-*

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