

Blackbox Movies: The Transformation of Private Cinema into Multi-Channel Advertising Media

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Abstract---*Several previous types of research have contributed to give an outlook for the up and down process of Small Medium Enterprises (SMEs) through the company's lifecycle. Some of the intern and extern factors also became analyzed indicators in order to give an overview of the strategy for surviving in the world of entrepreneurship. Furthermore, and specifically, some literature tends to be less in discussing the SMEs which can withstand after overcoming the climax point to decline stage in its lifecycle. This research aimed at contributing academically in giving an overview of an SME scale company namely Blackbox Movies, which engaged in the creative industry through a product of room service provider for the movie. The main focus was the strategy for transforming the core business as an effort to overcome the current revolution, which was caused mainly by the threat of digital era openness. This research used a qualitative method through semi-structured interviews toward top-level management as the responsible party for the strategic decision in transforming the business strategy. The obtained result for this research was overviewing that the adaptation of revolution is the key to see that there is always a chance to survive in the competition behind every challenge. Moreover, the digital era is like two sides of the coin, besides as threat, it also can be a chance, it depends on the capability of utilizing. Adapting the information technology became the bridge to expand its product service by providing several alternative advertising media through integrated marketing communication media, online and offline.*

Keywords---*digital signage, multi-channel advertising, private cinema, SMEs, social media.*

Introduction

The velocity, innovation, and creativity become the keys to entering the industrial revolution 4.0. Premkumar (2003), stated that the rapidity of technology development which is massively developed, caused the big of SMEs to always try to find a way to increase their competitive position and developing their productivity. Moreover, Bhagwat & Sharma (2007), stated that information technology also offers competitive enhancement through integration among distribution channels with the functions in an organization that is also important information for the company. In the end, the development of information technology offers a chance and challenge to all industries in business. The requisition to quickly move in adapting the revolution give an impact on the shorter lifecycle of the company. The actor of SMEs, particularly, is pushed to think and act creatively in order to survive in this competition. The choices for SMEs in the digital era are two; innovation or death.

Business Lifecycle

Business is a challengeable world that always issuing its own challenge for the actors. It is the same as the lifecycle of the human beings; every stage of the business lifecycle highlighted a framework of unique obstacles to be faced and overcome. The company is accused to be flexible in thinking and adjusting the strategy in running the process. It needs a different approach to penetrate the market so it would create a possibility that needed to accomplish the growth or withstand the market share. Connecting to the lifecycle of a company, [Lester et al., \(2003\)](#), proposed a model of lifecycle company based on previous researches on SMEs in the USA. They divided the cycle of the company into five stages, i.e.:

- 1) Existence is the beginning stage or birth of the company. The corporate survival in this stage is focused on the consumer's support. The decision making still based on one of two owners. Moreover, many things are still in trial and error.
- 2) Survival is a stage marked by the efforts of the company to develop more and survive in the industry competition. The purposes of the company generally are formulated routinely in order to increase the profit to fund the company operational and find a way to make effective financial for surviving while facing the rivalry.
- 3) Success, it is showed by more structured job description, policy, and working system procedure, and also the more formal hierarchal reports. The top-level management usually will focus only on planning and strategy determination, and delegate the daily operations to the managers. They will start to analyze the business environment comprehensively, even it is interned or extern in every process of strategic decision making.
- 4) Renewal, it is marked by the efforts to innovate and become creative in developing the business or expanding the business. There is a tendency to determine decentralization in strategic decision making. The needs and demands of consumers can become the main purpose above the whole company's purposes.
- 5) The decline is the final stage of the company's lifecycle. There are various reasons caused this stage. The majority of companies in the SMEs scale overcome this stage while there is a failure to read, seize and provide the product according to the consumers' expectations in continuously changing the business environment. In this stage, the company begins to suffer a loss and also market share.

[Petch \(2016\)](#), stated that according to the report of Genom Startup (data providing an ecosystem that combines the data of entrepreneurship and business community), it estimated 90% of SMEs at an early age often suffer failure caused by the unconsciousness of destroying themselves. It usually caused by the wrong choices produced by its founder or less preparing on market condition which is not seldom existed beyond their control. According to these things, it is important for SMEs to always stay alert in realizing their position in the lifecycle of a company and implementing suitable strategies in order to survive the lifespan of their company.

The Opportunities and Challenges in the Film Industry

[Praditya \(2015\)](#), stated that the president of Indonesia, Joko Widodo (Jokowi) promised would fulfill the demands of people in the creative industry, mainly in the sector of the film industry to build more cinemas in Indonesia. This strengthened in Creative Community Dialogue in Indonesia Convention Exhibition (ICE), it was located in Tangerang. In that chance, *"I do not want to convey more but we will prepare the supporting regulation, even to augment the cinema and I am sure with the big market will be very interesting for the investors to construct more cinemas"*. In accordance with it, [Rura \(2017\)](#), explained that cinemas in Indonesia were not evenly distributed and it became the main problem. It was cited from a statement by The Head of Indonesia Investment Coordinating Board, Thomas Trikasih Lembong was stated that in the production side, Indonesia still focused on quantity. He said that the cinema screen has still majored in Java 43% of cinema screen access. It was estimated only 13% for decent cinema access.

Furthermore, the biggest challenge is currently faced by the film industry national or globally is piracy. As an example, [Phau et al., \(2016\)](#), summarized several previous types of research which stated that in 2014, one of the best-selling movie series in the world, *Game of Thrones* was downloaded illegally in Australia about 1.5 million times in 12 hours since the film was released. That note was beyond the other films which were illegally downloaded worldwide. Moreover, digital piracy on software products, music, films, and games is the biggest phenomenon in the world. Particularly for the movie, [Gough \(2014\)](#) stated that consumers are considering the high cost for movie tickets, so downloading the movie became a profitable alternative for them economically.

Multi-channel Advertising

Building the relationship with the consumer in more complex media in the digital era become so difficult and burdensome for many marketers, especially for actors in SMEs. This becomes more by the external environment that is continuously change in accordance with innovation and information technology development. It is fundamental for marketers to adapt the information technology current flow in order to find the right promoting media in targeting consumers to become market targets. Various marketing communication media also becomes the main consideration for the marketer to choose and sort out effective and efficient media for them to convey their product or brand communication. Elms (2017), stated that multi-channel advertising is a strategy that considering the context usage in various media to convey the message through their brand communication toward the target consumers. Its purpose is to get the best route to consumers, deliver the content ineffective way so, it can be able to achieve the aim by doing a promotion campaign such as advertising. It will certainly bring the rate of high investment return that funded by the company on advertising, which at the end will contribute to a brand-building (Wisenthige & Guoping, 2016).

Schaller (2016), stated that about 15-30% of multi-channel consumers spend more money than the consumer that only browse the information and purchasing only through one channel. It stimulates the increasing of advertising in multi-channel advertising about 24%. The social media specifically already provides a platform that could assist marketers to get the data for analyzing the potential consumer behavior through the chosen channel as media that use for browsing the information. As an example, the average consumers who access the company website through Instagram spend about 192 seconds per visit, and YouTube about 164 seconds per visit. This phenomenon is supporting the proof that social media is proven as one of the effective channels to attract the consumer in browsing information on product or brand. Furthermore, Schaller (2016) stated that distributing the ad through multi-channel advertising will give several benefits, such as (1) increasing website visit, (2) increasing visit through mobile phone, (3) the rate of retention is higher and they watch the video until the end, (4) expand the range, (5) naturally increasing the followers in social media (6) increasing the subscribers, (7) increasing the interest of potential customers to see and pay attention, (8) increasing the interest of potential consumers, (9) efficiency. It can be concluded that delivering the message through an ad in multi-channel advertising media will give a high advantage for the advertiser party without paying more. Such as, advertising through various social media which generally has less cost than an ad on TV. Besides, there is an ability to collaborate on several elements in promotion through media in multi-channel advertising.

Research Method

This research was conducted in PT. Fantasi Untuk Nusantara office; it is the company that has the trademark of Blackbox Movies. The informants were chosen by a purposive sampling method, i.e. technique of collecting a sample of data source which was based on certain considerations and assumed can be represented a population. It was done since the needed information should form the party who comprehend, plan, decide and controlling strategic decisions in the company. Furthermore, through this method, the amount of informant who became the data source in this research was three persons, they have been the responsible man and owner and also top-level management in that company and the decision-makers. The data was collected by using a semi-structured interview including in-depth interview category and this interview method with more free questions character and possible to be developed in the interviewing process. It aimed at obtaining more open data and information. Then, the interviewing process as the effort to collecting data with guidance several questions according to indicators that were built from theory and sorted out extendedly and more comprehended based on the obtained information from informants. Data were analyzed by using the Miles and Huberman model that describes the analyzing activity from the data reduction stage, presenting data and verifying data. The triangulation of the data collecting technique is to measure the credibility test on obtained data, it consisted of (1) depth interview by using guidance semi-structured questions, (2) documentation and (3) passive participation observation i.e. it is limited on observation and excluding in the activities.

Finding and Discussion

This research took this phenomenon in an SME scale company, Blackbox Movies which engages in the creative industry, specifically it offers room provider service as a private cinema. Blackbox Movies is a trademark owned by PT. Fantasi Untuk Nusantara (FUN) which was established in April 2013 in Denpasar Bali. The brief history of this company establishment started from three filmmakers who love to produce a short movie with several work which have rewarded as the best short movie, favorite movies, best producer and best actor of 2007 in Bali and best editor of 2009 in Yogyakarta, and nominated as 24 short movie festival in Southeast Asia. Furthermore, Blackbox Movies claimed itself as a first private cinema in Indonesia with 3D technology, sound THX 5.1, with membership-based operational system and digitalization. Moreover, Blackbox Movies is also an alternative advertising media provides ads announcement before the movie started. This will make it more effective and efficient to ensure 100% of customer attention, selected segment, and more affordable price refers to outdoor advertising media as a billboard, banner and traditional ads media such as TV ads or spot ads on the radio.

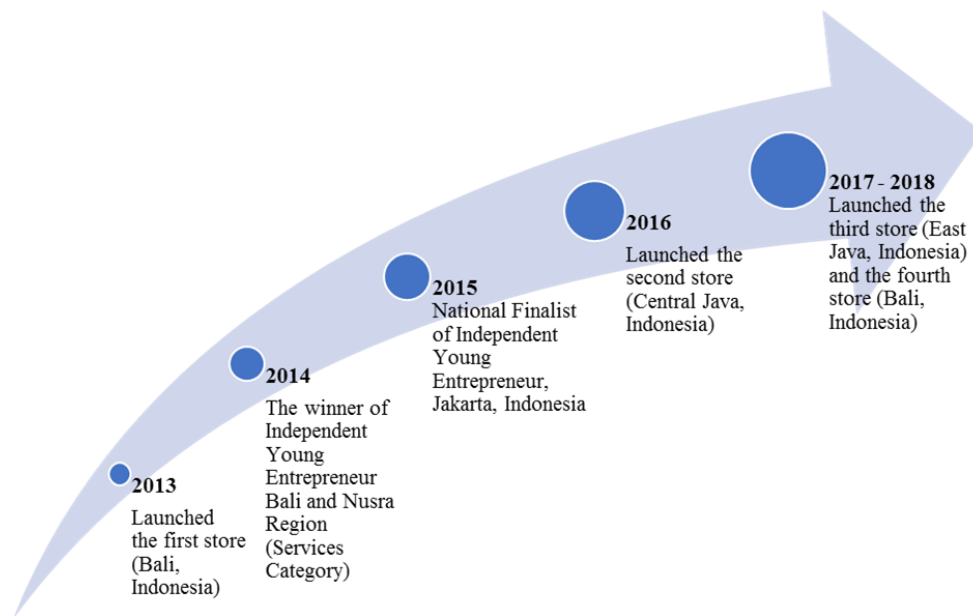


Figure 1. The Blackbox Movies Milestone & Achievement
Source: PT. Fantasi Untuk Nusantara (2019)

This research discussed the problem that has happened in about the end of 2016 until the middle of 2017. While the company overcame profit loss as the impact of property industry in Bali, especially in Denpasar and Badung Regency, both overcame adversity after 2014, the price phase of property soaring almost 200%, it caused unbalancing between the demand and offer in that industry and it affected to other industries, indirectly it affected to overall consumer purchasing power. It was explained in the statement below:

Yes, at that time property is high priced. Then stuck. We are stunned which the customers are less coming to us, usually, there would always be a booked room, especially on weekend, Friday, Saturday and Sunday, it is supposed to be fully booked but suddenly so empty. Even, there is a time within several months at the beginning of 2017 until the middle of the year, we need to pay it in advance for the operational fund. Even worst, we are curious and ask our friends who also engaged in other industries, such as fashion from head to toe, they also face the same condition, maybe the only stable one is culinary hehe.

At that moment, the company already planned to do expansion by offering join-partnership to the community who want to have a similar business. This program was a more likely franchise but has a difference in profit share system and the fund would not burden the partner. Such as, the partner party will only need to pay management cost if the profit reaches the specific numbers, meanwhile, if they do not reach it, they do not need to pay anything. Furthermore, expansion effort as a part of long-term investment for the company was not in good running since the challenge and threat occurred as the cause of sites that offer pirated movies (Yoga *et al.*, 2019).

The change is something beyond our control. The capital is up used, plus nowadays consumers are easy to get movies via pirated sites. Our movie collection is Blu-ray or HD quality. We get it from the third party, and one of them is from the company in Jakarta that upholds the Hollywood movies licensed. Our privilege is the movies that should be queued up to be released cannot be played in a big cinema. Certainly, we need to wait for one to three months for Box Office Movies. But we do not know how the pirated sites can get the airing movie within a week even days. Indeed, the quality is still in 'cam' or something, and it has a bad resolution. But the consumers are satisfied to watch in via notebook, and it is certainly a loss for us.

The technology development as one of the extern factors became a thing and then it was very influential toward the unbalance of company revenue and it would make the company bear the lost continuously. In the end, the owners and top-level management assumed that there are two choices; close the business or find a way to extend their lifecycle through strategic decisions for returning to its competition.

It is very unfortunate to close it. Moreover, our hobby is here. Then, the logo itself is already cool, hahaha.. So, we have an idea, if the core business should be changed. We considered, we have the facility such as ad serving media, why we do not try to develop it. There are companies such as cigarette, they are subject to policy for the media and airing time, so they would look for alternative media that could serve their ads. So, we think that why we do not develop the media itself.

Then, the threats and challenges of the revolution itself could give a chance to develop the business. It makes them develop alternative ads media through multi-channel advertising, it can be a need for marketers since information technology development. Service expansion strategy for multi-channel advertising media was established then becoming the company agenda as a strategy to return and extend their lifespan.

We see some of the media that have a chance at that time, there are three media, first media is we already have: private cinema. In advance, we already offer it to the companies to serve their ads in our cinema before the movie begins, so the consumers are given some ads about three to five ads. We restrain it, so they will be aware. If in big cinemas, the ads can be more than ten, it must be too long. The viewers can forget it and tend to avoid it while it served. If in ours, they cannot avoid it. Moreover, our ads are more snipper, it means that the ads will be served if the viewers are the suitable market targeted. As an example, cigarettes or car ads, if the viewers are students, we would not serve it.

Cinema as ads media is not a new thing for marketers. [Prendergast & Wah \(2005\)](#), stated that cinema is an effective vehicle and it gives a very high impact as ads media. The served ads in cinemas screen media tend to hit on potential consumers particularly young generation, educated, attractive and even potential consumers from the family segment. This media is the first marketing communication media channel offered by Blackbox Movies. Several advantages through this media is already cited in following statements, i.e. (1) the high awareness of consumers toward a brand product as result of forcing them to watch the ads, (2) ads are more effective since it is showed accordingly to the target market, (3) it is an alternative media for products as government policy subject.

The second, there is something called digital signage. It seems that in Bali, this media is less popular, but outside it is already an ordinary thing, it is placed on the retail side. This digital signage we placed in several places, such a waiting room, we have three points in the station, then there are two in hospital, on campus, we have two points in the canteen. We also have it in hang out spot, we have two in Renon. Inconvenience, if Videotron is the supermart or hypermart, this digital signage is more likely a private art. It is very small, but it can be distributed to hang out places (HOP) or anywhere the consumers usually waiting.

The second media offered by the company is Digital Signage. [Denis et al., \(2010\)](#), mentioned that digital signage is a media consist of a screen located in the public area, it aims at showing the content in the form of video. The contents can be ads, public information, entertainment and also news. [Burke \(2009\)](#), added about 30% until 40% category and the decision to choose a brand or product happens in an area where the consumers do purchase, related to that, [Dennis et al., \(2010\)](#), stated that digital signage is purposed to communicate with consumers while they are in demand to do purchasing. [Newman et al., \(2006\)](#), found that digital signage is able to create a more modern product image, increasing the happiness of potential consumers to watch and able to give information about a product or brand.

The third, we used social media. The interesting part of it is making the contents. It is our expertise hahaha.. we departed from likes of making short movies back in college. And now, there are so many social media. There are

Instagram, Facebook and even WA (Whatsapp) also the facility adding video in status part, is not it? The important thing in social media is the content. So, we make such a 60 seconds video content. The idea is like a short movie, but there is a storyline and at the end of it, it is ads. The advertiser likes this kind of concept. Consumers also are more interested in watching since there is audiovisual. So, it must be more hit. The more interesting thing is, through social media, we can create direct communication with potential consumers or already-consumers. Even, such an Instagram, there is a feature to directly order the product. it should be interesting dealing with the client who wants to do advertising. We also can see the visitor traffic through insight feature. So, there is data that they could use to analyze the market.

The existence of social media is able to be optimized by Blackbox Movies with creativity according to their skill. Competitive advantages are raised as a result of the ability to create interesting communication content. The interesting content and showed in the right media can become a surplus-value in conveying the message through ads. Moreover, marketing communication usage through social media is increasing over time. Moorman (2018), believed that five years later, the user of social media will increase by about 71%. It is supported by the increasing popularity of users as a marketing tool that able to serve the content right to consumers and adjust themselves to content that they want to see. Thus, Katai (2017), stated that this phenomenon should be recognized by the marketer to get the attention of consumers through social media they used with innovative ways and more collaborating on the use of pictures and videos. Accordance with that, Corliss *et al.*, (2012) stated that served content in visual tends to have better performance to attract consumers through social media, for example, is posted on Facebook with pictures/photos tend to increase the potential *like* about 53% and also *comment* about 104%. Furthermore, Fox *et al.*, (2018); Geria *et al.*, (2018), assumed that reflected from this condition, through marketer, the company begins to focus and invest on a strategy to advance consumer attractiveness by creating and sharing visual content through social media as their marketing communication strategy.

Broadly, the transformation of Blackbox Movies which is only as a room service provider in form of private cinema become ads served service provider and creative content maker through multi-channel advertising, it becomes a chance to extend their lifecycle and survive in competition. This transformation chance also becomes a tool for them to offer privilege value toward marketers in companies that needs service to approach their potential consumers through more varies and integrated media.

Conclusion

Blackbox movies are successful to extend their business lifecycle by adapting to the business environment revolution, especially the extern environment. Information technology development which raised the challenge and threats of company lifespan is overcome by adopting a chance that raised from offering multi-channel advertising which firstly they only serve it in private cinema media. For marketers that use their services, it becomes a choice variation in approaching target consumers. For the intern company, this step can be a business expansion strategy, i.e. expand and offline media integration (ads in private cinema and digital signage) and online media (social media through audiovisual content). The most interesting thing is this company aware of its lifecycle position after through declining stage, it made them reorganize their strategy by innovating and creativity to be back to surviving position. The awareness of company position can be an important thing as a standby position in deciding the right strategy to be implemented in order to survive in market competition.

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