Considering the South African Film Industry in the context of Transnational Cinema

An exploration through case studies of the films District 9, Spud and Skoonheid

A Research Report

presented to

The Graduate School of Business
University of Cape Town
In partial fulfilment
of the requirements for the
Masters of Business Administration Degree
by
Martinus van der Berg

December 2011

Supervisor: Dr Ian-Malcolm Rijsdijk
DECLARATION

Declaration:

I know that plagiarism is wrong. Plagiarism is to use another’s work and pretend that it is one’s own.

I have used a recognised convention for citation and referencing. Each significant contribution and quotation from the works of other people has been attributed, cited and referenced.

I certify that this submission is all my own work.

I have not allowed and will not allow anyone to copy this essay with the intention of passing it off as his or her own work.

Name: Martinus van der Berg
Date: 9 December 2011
ABSTRACT

This qualitative research report addresses the central issue of analysing the South African film industry through the framework of Transnational Cinema, focusing on the films District 9, Spud and Skoonheid, and asking specifically how these films have been made for both a local and international audience. The study begins by investigating the historically poor box office performances of locally made films. The literature review shows that reasons for this perennial underperformance are rooted in imbalances that remain from the apartheid era, as well as the hold that Hollywood has over the local distribution chain. The literature review further investigates how the government has earmarked the film industry as one of significance to the growth of the country, both socially and politically, with support being offered in the form of the NFVF, IDC and DTI. However, it has it shown that while this is an important and much needed component in the development of a ‘national’ cinema, the industry is in desperate need of private equity to reach the maturity stage of self-sufficiency. It is in this respect that the study repositions the concept of Transnational Cinema to support an analysis of recent occurrences in the local industry.

Through the use of the three case studies, the study limits its scope to specific stages of the filmmaking process; firstly it focuses on how these films were funded, looking at the filmmakers’ views on both private and government funding, as well as co-productions. Secondly, the study looks at how the films were marketed, through a variety of techniques that aimed to either harness the power of the traditional distribution networks, or to break free of them. Lastly, because the subjects were chosen for their strong and candid views on the industry, their respective opinions of where we are headed is included.

The empirical research component comprises the interviews conducted with the makers of the three films, as well as secondary material sourced from previous interviews they had given. A procedure called ‘thematic encoding’ is used to compare the different perspectives through the identification of common themes. Conclusions drawn are that private funding remains scarce, but is available to well researched films that identify their target audiences early on, that government support remains crucial but highly fragmented and scattered, and that marketing is an area that has been under utilised in the past by local filmmakers.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLAGIARISM DECLARATION</td>
<td>2</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td>3</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENTS</td>
<td>7</td>
</tr>
<tr>
<td>1 INTRODUCTION</td>
<td>8</td>
</tr>
<tr>
<td>1.1 Research area and problem</td>
<td>8</td>
</tr>
<tr>
<td>Problem and Context</td>
<td>8</td>
</tr>
<tr>
<td>Purpose of proposed research</td>
<td>9</td>
</tr>
<tr>
<td>Significance</td>
<td>10</td>
</tr>
<tr>
<td>1.2 Research Questions and Scope</td>
<td>12</td>
</tr>
<tr>
<td>Question and sub-question</td>
<td>12</td>
</tr>
<tr>
<td>Scope of the research</td>
<td>12</td>
</tr>
<tr>
<td>1.3 Research Assumptions</td>
<td>13</td>
</tr>
<tr>
<td>1.4 Research Ethics</td>
<td>13</td>
</tr>
<tr>
<td>2 LITERATURE REVIEW</td>
<td>14</td>
</tr>
<tr>
<td>Introduction</td>
<td>14</td>
</tr>
<tr>
<td>The South African Film Industry before 1994</td>
<td>14</td>
</tr>
<tr>
<td>The state of the post-apartheid industry</td>
<td>15</td>
</tr>
<tr>
<td>The state of the Global industry</td>
<td>17</td>
</tr>
<tr>
<td>Transnational Cinema and Globalisation</td>
<td>18</td>
</tr>
<tr>
<td>State film funding in the RSA- the NFVF, IDC and DTI</td>
<td>20</td>
</tr>
<tr>
<td>Co-productions</td>
<td>22</td>
</tr>
<tr>
<td>Distribution and exhibition practices</td>
<td>24</td>
</tr>
<tr>
<td>Possible lessons to be learnt from Nollywood</td>
<td>27</td>
</tr>
<tr>
<td>Conclusion: Where to from here?</td>
<td>28</td>
</tr>
<tr>
<td>3 RESEARCH METHODOLOGY</td>
<td>30</td>
</tr>
<tr>
<td>3.1 Research approach and strategy</td>
<td>30</td>
</tr>
<tr>
<td>3.2 Interview design</td>
<td>31</td>
</tr>
<tr>
<td>3.3 Population and Sampling</td>
<td>32</td>
</tr>
<tr>
<td>3.4 The research instrument</td>
<td>32</td>
</tr>
<tr>
<td>3.5 Data analysis and interpretation</td>
<td>33</td>
</tr>
<tr>
<td>3.6 Limitations of the methodology</td>
<td>33</td>
</tr>
<tr>
<td>4 CASE STUDIES</td>
<td>35</td>
</tr>
<tr>
<td>4.1 Introduction</td>
<td>35</td>
</tr>
</tbody>
</table>
I would like to thank Michael Murphey, Jason Cope, Ross Garland and Oliver Hermanus for their open, honest and lengthy responses to the requested interviews. Thank you also to the academics whose work I leaned on in researching this thesis, especially Lucia Saks, Krista Tuomi, Astrid Treffry-Goatley and Damon Heatlie. Lastly thanks to my supervisor, Dr Ian-Malcolm Rijsdijk, for his valuable insights into the South African film industry, as well as for his time and effort in guiding me through this process.
1 INTRODUCTION

1.1 Research area and problem

Problem and Context

The question as to whether South Africa has a successful film industry has many possible answers. One argument is that it is thriving due to the frequency of productions taking place in our beautiful country and the multiplier effect it has on our economy; our crews are constantly working and becoming ever more skilled and renowned with every production, while it is estimated that the industry as a whole brings in “over R5.5 billion in economic activity annually”, creating 30 000 jobs directly and countless others through related industries such as transport, catering and hospitality (Tuomi, 2006, p. 81). However, when one takes a closer look at locally produced films, disregarding international productions, as well as the television and commercials industries, an entirely different scenario comes to the fore; the homegrown industry can then at best be described as a stop/start industry.

Since the advent of democracy in 1994, there have been occasional triumphs on the international scene, such as an Oscar win for Tsotsi (2005) and Oscar nominations for Yesterday (2005) and District 9 (2009), but on the whole it can be argued that there has been a disappointing lack of momentum gained from such exposure. Commercially successful, local films have unfortunately been the exception rather than the rule. Recent years have seen some signs of encouragement with an increase in the number of ‘South African’ films reaching the heights of box office success and/or critical acclaim. District 9, a film set in Johannesburg and Soweto, with a majority South African cast, crew and director, went on to gross over $200m at the international box office, as well as being nominated for an Oscar in the extended best film category for 2010.

Where did these enormous profits go? Has it left our shores never to be seen again or has it been regenerated into future South African films? Although the film was overwhelmingly South African, the funding came from Peter Jackson, the director/producer famed for the Lord of the Rings Trilogy. As a result, our industry has seen very little of these profits.
A further question is how does one account for the effect that this film has had on our industry? As will be revealed in this study, District 9 was not an official co-production, nor was it funded by South African investors. Nevertheless, the film has been widely hailed as a triumph for the industry, showcasing latent local talent to the world and paving the way for future films. One such film is Spud (2010), based on the bestselling novel of the same name. Producer Ross Garland revealed that the international success of District 9 certainly did not hurt Spud’s fundraising efforts, allowing the film to become one of the most ambitiously produced local films in South African cinematic history (Garland, 2010).

**Purpose of proposed research**

In industry terms, the relationship between South African filmmakers and overseas funding has commonly been considered under the rubric of ‘co-production’. One such example would be the recent film by director Oliver Hermanus, Skoonheid (2011), which was an official South Africa-France co-production. However, the term ‘co-production’ does not fully appreciate the identity of the above films. In this respect, the concept of Transnational Cinema has become increasingly relevant in recent times, as it aims to incorporate issues such as consumerism, economic imperialism, and post-colonialism into a more traditional aesthetic consideration of film.

Transnational Cinema, as will be expanded upon later, is in filmic terms “the global forces that link people or institutions across nations” so that it sometimes becomes impossible to assign a “fixed national identity” to many films (Ezra & Rowden, 2005). Tied into this concept is the validity of the idea of a ‘national cinema,’ something that the South African state has tried to forge since 1994; Transnational Cinema discourse suggests that thinking of cinema in terms of national models is becoming increasingly problematic.

One is thus left with terms- ‘national cinema’ and ‘co-production’- that confines films too narrowly for the times in which they are made. Through the case studies of District 9, Spud and Skoonheid, this study explores the idea of Transnational Cinema in the context of the South African Film Industry. While Skoonheid was an official co-production, this approach also allows for the inclusion of the influential District 9, a film entirely South African in terms of identity, but largely ‘un’-South African in terms of financing and marketing. It further
offers the scope to discuss *Spud*, an almost entirely ‘local film,’ but one where the strategic casting of British comedic icon John Cleese offers the possibility of an overseas audience.

Transnational Cinema is thus a framework that has been drawn from film studies for the purpose of applying it to the local industry, as a way of trying to shed light on recent occurrences within the industry. The study focuses on the feature film industry in post-apartheid South Africa, specifically how these recent films have been co-produced and/or made for both local and international consumption and what affect that has had on its funding, marketing, distribution and box office takings. The research is thus of an explorative and explanatory nature, rather than being descriptive.

My research begins with a broad enquiry into the state of the local and global film industry, before attempting through these case studies to explore film funding and film making within our industry. Finally the study explores the marketing techniques employed by these films, an area that according to Heatlie requires further focused research due to the changing landscape of international marketing (Heatlie, 2011). For too long the industry has been at the mercy of the big distributors, Nu-Metro and Ster-Kinekor, who in turn are fed content by Hollywood. This study looks at how these films have attempted to step out of these long established norms by taking on the traditional forms of marketing and distribution with innovative and daring tactics.

**Significance**

The proposed research is significant for the following reasons:

Firstly, it will build on what Astrid Treffry-Goatley recently described as inarguably scarce material that focus on the South African Feature Film Industry in the post-apartheid era (Treffry-Goatley, 2010). If taken in the context of this particular period, the industry is still very new and with it comes the usual teething problems of trying to move from infancy to maturity. Consequently lots of opportunity for development and exploration exists, which is what makes it such a dynamic topic to research. As stated above, there is even less literature on the relatively recent phenomenon of Transnational Filmmaking in South African Cinema, as well as new marketing techniques, such as the potential of viral marketing.
Secondly, as mentioned in the introduction, there has been a flurry of activity in local industry in recent years, from making “a few films a year, five to seven years ago to about 25 films for 2010 and 2011” (Appendix 2). Due to the prolific output of these films, the nature of cinema can be quite transient, with the result that films can move through its ‘moment of fame’ with little or no research conducted on them. In a recent study, entitled ‘Success drivers for independent feature filmmaking in South Africa’, Damon Heatlie argues that there is a distinct lack of “in-depth case studies” in the local industry and that such “predominantly qualitative investigations would map the development of individual South African feature film projects.” Furthermore, the author states that “case studies of successful films would impart knowledge of best practices to a range of stakeholders, while ‘failed’ films would provide lessons on what to avoid.” (Heatlie, 2011, p. 86).

The three case studies have been chosen specifically for the reason that they were made with both a local and international audience in mind, with various budgets ranging from ‘small’ (Skoonheid) through ‘medium’ (Spud), to ‘large’ (District 9). Heatlie argues that “the more difficult question is how to tell and position local stories for overseas markets” and that such information gathered from in-depth case studies would “assist producers to make the appropriate connection with potential partners.” (Heatlie, 2011, p. 86). Research on Skoonheid, Spud and District 9 may thus prove to be a valuable resource for the emerging generation of South African filmmakers, as well as international filmmakers, interested in telling local stories to a global audience.

Lastly, one of the things that is lacking in the literature is an engagement with production. It is my hope that my involvement in the industry as an actor has coloured this thesis with a fresh perspective that straddles the line between the ‘creative’ and ‘business’ side of the filmmaking process. In the context of this thesis, my experience of the industry has enriched my analysis of South African film.
1.2 Research Questions and Scope

Question and sub-question
To explore this growing phenomenon of ‘South African’ films that aim to compete on both the local and international stage, the study will be framed around the following research question: *How has the concept of Transnational Cinema shaped the way these films have been produced?* Within this broader question, the thesis uses the three case studies to explore specific areas, framed as the following sub-questions:

1) How were these films funded?
2) What impact does that have on the way the films were made, marketed, distributed and ultimately consumed both locally and internationally?
3) How do the makers of these films view the future of the industry?

Scope of the research
The study builds on the existing body of secondary readings on the concept of Transnational Cinema and the South African Film industry, with primary research in the form of interviews with the filmmakers of *Spud, District 9* and *Spoonhead*, as well as secondary interviews gathered from various sources. This is supported by recent box office figures and other industry related statistics. The research is thus limited in its scope to these recent case studies; many more films of varying impact have been produced in South Africa during this period, however these three were chosen, each for their specific reasons, as will be articulated in the introduction to the films.

It is perhaps important to state at this point that due to the secretive nature of the filmmaking process, especially in the areas of funding and profit/loss, the study does not attempt nor succeed at making a quantitative analysis of the case studies. Though the respondents were refreshingly forthright with their opinions, specifics were not given in terms of the financials of the films. Heatlie encountered the same problem, arguing that
“too much is at stake (including all important reputation) for a producer to be publicising the financial performance of their film” (Heatlie, 2011, p. 6).

The scope of the study is further defined in terms of the following:

- It explores the South African film industry, as outlined in the introduction, excluding the commercials and television industry.
- The respondents are based in South Africa and does not extend to internationals who were involved in the production of the film.

1.3 Research Assumptions

As the research consisted of interviews with filmmakers, the first assumption was that their answers to my questions would be open and honest. Due to the aforementioned nature of the industry, where reputation is at stake, every attempt was made to ensure that the respondents understood that the research was done with the good intention of furthering the study of their chosen profession.

Filmmakers are by nature quite passionate and opinionated people, as will be revealed in the very candid answers of some of the respondents. There is thus no absolute guarantee that the opinions expressed are ‘fact’ or ‘true’. However, the nature of a qualitative study such as this is to flesh out personal opinion through secondary research so that the opinion does not unbalance the research.

1.4 Research Ethics

A possible ethical implication may be that those interviewed receive negative publicity for their honest appraisals of the state of the industry and as a result may lose future work opportunities. However, it becomes apparent that each interviewee divulged as much as they were willing to. The risk will be mitigated by offering each participant the chance to reread the transcript of the interview as well as the report to edit out material that they think could somehow be harmful to them.
2. **LITERATURE REVIEW**

**Introduction**
In reviewing the literature for this thesis, it was useful to explore the following topics:

- The state of the post-apartheid industry.
- The state of the Global industry.
- A brief discussion of the concept of Transnational Cinema.
- A look at how the South African state has been involved in attempting to forge a ‘national’ cinema, through bodies such as the Nation Film and Video Foundation (NFVF) and the Industrial Development Corporation (IDC) and the Department of Trade and Industry (DTI).
- The pros and cons of co-productions.
- Distribution, exhibition and marketing practices in the industry.
- Going the digital route, Nollywood style.
- Suggested ways forward for the industry.

**The South African Film Industry before 1994**
Martin Botha, in the foreword to the book *Marginal lives and painful pasts: South African cinema after apartheid*, calls the industry “one of the oldest in the world”, dating back to 1896 (Botha, 2007, p. 20). Between 1896 and 1909 mainly British and American films were shown in South Africa “by means of mobile bioscopes”, with the first of many permanent bioscopes built in 1909 in Durban (Botha, 2007, p. 20).

By 1923, South Africa had its own flourishing feature film industry, but “it folded when Hollywood flooded the market with cheap products, a practice today called dumping “ (Saks, 2010, p. 62). This is an important development to keep in mind when looking at the current state of distribution and exhibition in South Africa, which is still dominated by and large by Hollywood fare.

The state of today’s film industry was shaped by the socio-political conditions during the apartheid era. Maingard notes that “cinema in any national frame cannot be viewed beyond
its historical and political contexts, especially not in South Africa” (Maingard, 2007). In her recently published book, *Cinema in a democratic South Africa: the race for representation*, Lucia Saks says of the attitude towards film that it “has never been considered much of an art in South Africa... at best it has been an industry (a rather unsuccessful one) and at worst, it has been one of the old regime’s propaganda tools.” (Saks, 2010, p. 50). Speaking of the body of films that were largely subsidised by the minority government, she argues that “cloaked in the language of cultural preservation against the predations of Hollywood and a concern for a sustainable local industry, they did little else than “prop up Afrikaans as the language of ‘South African’ cinema, comply with the censorship laws of the day”, and reinforce what Blignaut has called “conservative populist themes” (Saks, 2010), (Blignaut, 1992).

The present day predicament that the industry finds itself in, where there remains a large fragmentation in the movie going public, can thus be traced directly back to these policies that “attempted to serve white consumers while limiting access to black audiences (McCluskey, 2009, p. 10). Blacks were “denied the pleasures of spectatorship, let alone the agency of production” (Saks, 2010, p. 18).

The state of the post-apartheid industry
Treffry-Goatley lends further weight to this argument by saying that “similar to post-apartheid society as a whole, the film industry is one of social and economic fragmentation.” (Treffry-Goatley, 2010, p. 53). It is within this climate that the new government began to put together its vision of a ‘national cinema’, realising early on that film had the power to play an important role in the re-emergence of “civic and public life” (McCluskey, 2009, p. 2).

What it inherited though was “not a robust national industry but rather an incipient entity, waiting to be nudged into existence.” (Saks, 2010, p. 4). As a result, a large amount of government intervention was needed to pave the way forward. This came in the early form of the *White Paper on Film*, published in 1996, which led to the formation of the National Film and Video Foundation (NFVF) in 1997 (Treffry-Goatley, 2010).
While it can be argued that the NFVF had justifiably lofty ideals for the formation of an industry that would be representative of society as a whole, it has to be asked whether they have succeeded? On the one hand, the rapid development of the film industry into so many different areas after 1994 may constitute “a mini-renaissance in itself”, aided by a combination of “government involvement, private initiatives and the emergence of the country as one of the top five locations in the world” (McCluskey, 2009, p. 9). However, the problem is cited frequently that cinema has not come close to fulfilling its early ambitions, which was to play “a significant role in representing the nation because of its potential to reach millions of people.” It simply has not reached the masses, unlike film’s supposedly poorer cousin, television, which reaches “80 to 90 percent of the population in a given week... while film reaches only 1.5 percent of the population per week” (Saks, 2010, p. 59).

Saks concludes that “writing the story of cinema in South Africa’s first decade of democracy is writing about a partial disparity between intention and performance.” (Saks, 2010, p. 17). Our films struggle to gain an audience, locally or globally, leaving Botha “with a feeling of déjà vu”. He argues that “a film industry, or more ambitiously a national cinema is ultimately dependent on the number of people who are willing to pay for it. Without a paying audience, whether it is cinema, television, video or new media exhibition, there can be no industry to speak of.” (Botha, 2007, p. 42). No amount of government funding can sustain our industry if an audience is not developed and nurtured into taking local film seriously enough to want to pay to see it regularly. Toumi argues that “the general South African film product is too niche orientated and pays too little credence to the idea that film is a form of escapism,” and further that “for the South African industry to develop beyond government support, it needs to be demand driven” (Tuomi, 2006, p. 99).

It is against these odds that our fragile little industry is trying to get some sort of a foothold in the local and international scene, heavily dominated by Hollywood products. This “race to build a cinema”, is according to Saks, taking us in many directions; “to mimic Hollywood” and “to break into the global market”, but also “to reject Hollywood”. However, this has to be balanced with a need “to provide justice” and “to rewrite, rediscover, and resurrect history” (Saks, 2010, p. 17). It is a tall order for a country that has so many other pressing problems to attend to, such as high unemployment, poverty, crime and a housing crisis.
Before researching these various forces at play in the local industry, it may be useful to examine the state of the global market.

**The state of the Global industry**

Tuomi states that on a global level “film has been characterised by frequent mergers and a concentration of ownership,” which has “resulted in higher entry barriers for smaller independents, many of whom lack the access to distribution networks available to the big entertainment companies” (Tuomi, 2006, p. 82).

The United States is such a big player in this regard, that it has become increasingly difficult for nations to compete with Hollywood fare, even in their own backyards. Producers of big American films are able to recoup most of their costs from distribution to their domestic market and are thus able to “sell their films and programmes at a discounted price to other countries,” a process called “the secondary pricing system” (Tuomi, 2006, p. 82). Hence these countries, including South Africa, are at a distinct disadvantage when trying to compete with foreign films.

Worldwide movie attendance is on the decline, with South Africa, Germany, France and the United States experiencing an increase in closures of cinemas, while the United Kingdom and Italy are the exceptions, due to the growth of multiplexes (Saks, 2010). Saks quotes a global survey that was conducted recently to argue that the decline is not because of a problem with the content, but rather with the “experience of going to the movies: the food, the lack of reserved seats, the ticket price, the travel time.” Therefore it suggests that “patterns of movie consumption cannot be reduced to questions of content or distribution, but have to be seen as part of a larger matrix of people’s desires and needs.” (Saks, 2010, p. 59).

In addition, the move from celluloid to digital print is viewed as a disruptive technology that is “beginning to restructure the whole industry, creating a whole set of entrepreneurial opportunities for those on their toes (Heatlie, 2011, p. 34). Heatlie quotes Culkin who suggests that with a wide range of cheap filmmaking tools being made available to the new generation, coupled with increasing access to broadband internet, this may even be the
‘tipping point’ in the global industry that could signal the beginning of the end for the studio system (Heatlie, 2011).

Heatlie argues further that “even if digital cinema does not bring down Hollywood, it fundamentally changes the way a film can be released, and what one might call the release strategy.” With the “advent of ‘micro cinemas’ and HD home cinema”, the author argues that it would be possible in the near future to conceive of “individualised consumption” that begins to impede on cinema sales. The biggest threat, however, may come from video-on-demand (VOD), where consumer patterns are increasingly moving towards on demand platforms, again fuelled by developing bandwidth around the globe (Heatlie, 2011, p. 35). Bloore argues that this point is nearing fast, with VOD rights poised to outstrip DVD sales in the near future (Bloore, 2010). On the whole, it can be argued that this may prove advantageous to independent filmmakers, as it will be “consumer-driven rather than producer-driven,” meaning that in theory it will become “a lot easier for niche films to be sold and consumed” (Heatlie, 2011, p. 35).

Transnational Cinema and Globalisation

Saks argues that “the introduction and dissemination of cinema in South Africa therefore have to be understood as part of globalisation and the cultural practices that have formed the modern world” (Saks, 2010, p. 4). The idea of the global village is no longer just an idea, but has become part of the everyday fabric of our lives, with Twitter, Facebook and the like being blamed for/hailed with starting riots and revolutions.

Films are being co-produced and co-funded on a scale never seen before, leading to the question, is there still such a thing as a ‘national cinema?’ One of the interviewees in this thesis, Oliver Hermanus, is in the unique position of having his films funded by director/producer Roland Emmerich (Independence Day, The Day after Tomorrow), allowing this emerging filmmaker the freedom to do exactly what he should, which is to make “art for art’s sake”, free from the dictates of the country in which resides, but also from the forces at play in funding his films. As Saks notes, “one way that South African filmmakers will remain progressive, innovative and independent within institutional and market controls is to avoid giving into both the dictates of political correctness and the hegemony of the
market” (Saks, 2010, p. 73). His second feature film, *Skoonheid*, deals with the subject matter of gay Afrikaners, set in Bloemfontein, and is somewhat akin to a rugby movie set in a township; a novel idea, but one that was likely to alienate an audience rather than garner one. The fact that it has been made, and screened across the country, is an important development in post-apartheid cinematic history.

In their book *Transnational cinema: the film reader*, Ezra and Rowden define the term transnational in “its simplest guise” as “the global forces that link people or institutions across nations” (Ezra & Rowden, 2005). Taking this concept to the world of filmmaking, they argue that “the impossibility of assigning a fixed national identity to much of cinema reflects the dissolution of any connection between the film’s place of production and/or setting and the nationality of its makers and performers” (Ezra & Rowden, 2005).

Treffry-Goatley expands on the subject by saying that “since filmmaking is such a capital-intensive process, with multinational partners often collaborating to produce a single product, it provides an interesting site to study the dynamics of representation, artistic expression/creativity and ideology that characterise the global media industry” (Treffry-Goatley, 2010, p. 38). In its most utopian sense, African filmmakers are now able to “forge their own affiliation with other progressive cinemas irrespective of geography or nation or race”. Saks cites the example of African filmmaker Gaston Kabore, who has identified his own voice with that of British director Ken Loach’s “powerful political films and social realist style”, saying that it matters little that they are continents apart, because “his battle is the same as ours” (Saks, 2010, p. 82). In much the same way, Hermanus identifies his filmmaking with a handful of personal heroes, an eclectic bunch from all over the cinema world, including Roland Emmerich, Tom Ford, Ken Loach, Stephen Frears, Mike Leigh and Les Blair (Hermanus, An Orgy Would Be More Fun, 2011).

In practice, however, this ideal is not always reached. Instead, Hollywood being “central to the global mediascape” means that their big producers often have the network and buying power to “snap up those African and South African stories that gain international status.” (Saks, 2010, p. 16). Treffry-Goatley argues that “in this commercial environment, the voices of the historically oppressed black majority, rather than enjoying a sense of artistic and creative freedom, can in fact encounter commercial censorship through the
commodification of films for an export-orientated market” (Treffry-Goatley, 2010, p. 37). In the end, as Saks ponders, “where does that leave South Africa’s national cinema?” (Saks, 2010, p. 16).

The answer, as can be expected, is multi-layered, and requires an examination of the way films are funded through state involvement in the form of the NFVF and IDC, as well as a look at alternative forms of funding and eventually co-productions.

**State film funding in the RSA- the NFVF, IDC and DTI**

As far as funding is concerned, Saks stresses that the industry was in need of two different types of money, namely “development funds and project finance”. The former “operated like grants, with no expectation of a return on money” and was available mainly through the NFVF “as part of its mandate to create cinematic diversity” (Saks, 2010, p. 38).

Project finance on the other hand “was business orientated and sought a return on investment. It did not draw on state funds, but sourced funds from private investors, most notably the IDC... providing financing to entrepreneurs and businesses.” The state’s ultimate aim was thus “to produce a contemporary South African cinema under the sign of the nation through structures such as the NFVF and the IDC” (Saks, 2010, p. 38).

As mentioned in the earlier section, the NFVF was formed in 1997. It was mandated to do the following:

- Promote and develop the film and video industry;
- Provide and encourage the provision of opportunities for persons, especially from disadvantaged communities, to get involved in the film and video industry;
- Encourage the development and distribution of local film and video products;
- Support the nurturing and development of and access to the film and video industry;
- Address historical imbalances in the infrastructure and distribution of skills and resources in the film and video industry.

(NFVF, Annual Report, 2007)
The debate around the effectiveness, or lack thereof, of the NFVF, is a fierce one. Botha calls the *White Paper on film*, which was instrumental in establishing the NFVF, “an uneasy blend of progressive and neo-liberal thinking.” (Botha, 2007, p. 34). Saks is less forgiving in saying that the “NFVF is the only advocate for the disempowered in terms of films and filmmaking, but it appears to have abandoned that role, acting instead on behalf of the industry,” citing Botha again who accused the body of “crude commercialisation” (Saks, 2010, p. 41).

Toumi agrees that “government is committed to supporting the film industry, but the failure of almost all South African films to attract audiences (and therefore make money) suggests that the support is not having a pronounced impact” (Tuomi, 2006, p. 96). This is due to the “emphasis of the policy being misaligned” towards production, and “not enough towards distribution and exhibition.” She argues that television provides a “captive market” for “local content provisions” and should be retained, but that “funding should only be granted to films that display substantial evidence of distribution and exhibition interest.” And finally, that while the “NFVF should remain a bastion of cultural support” the country “cannot afford to continually subsidise films that are culturally sound, but whose viewership is so limited that the cultural impact is mitigated.” (Tuomi, 2006, p. 96).

It seems that the NFVF has gotten itself caught between two opposing ideals; embracing the free market economy on the one hand, and the very serious and necessary task of addressing the past on the other. This is compounded by a lack of available funding for the industry; the NFVF receives a mere R36 million annually, which “is expected to cover the organisation’s four main intervention areas, namely: (1) education and training, (2) development, (3) production and (4) marketing/distribution” (Treffry-Goatley, 2010, p. 42). Compared to countries such as Australia and Canada, that have been successful at growing their local cinema and have received state funding at a ratio of 19% to total production costs, the ratio in South Africa is a mere 2.6% (Saks, 2010). Treffry-Goatley says that, according to the 2005 *Value Charter* of the NFVF, “the required budget for the 2008 to 2022 ‘maturity’ stage of the industry is R3 billion, which is almost ten times the current allocation” (Treffry-Goatley, 2010, p. 43).

This has led filmmakers to seek other means of finance, through the likes of the IDC and co-productions. The Industrial Development Corporation, “a state entity that provides
international productions and co-productions with repayable loans” has been in existence since 2002 and during this time has co-funded over 30 films, including *Hotel Rwanda* (2004), *Tsotsi*, *Catch a Fire* (2006) and *Wah Wah* (2005) (Treffry-Goatley, 2010). Through these productions, the IDC claims to have created over 5000 jobs, as well as bringing in $76 million in a tax-rebate scheme during 2005 (Saks, 2010).

Toumi argues that the IDC represents one of the “most promising” funding options of all the government-related schemes, insofar it offers “a significant funding opportunity for large scale projects and partnerships.” It is further argued that “this type of funding is extremely important in achieving a more sustainable ‘distribution-led’ industry. By forcing applicants to provide evidence of concrete budgeting, public interest and profitability potential, attention is focused on the ingredients necessary for financial success. When a greater number of local movies start paying dividends, private investors will be more willing to contribute” (Tuomi, 2006, p. 100).

Again, not all critique of the IDC is positive, with Saks arguing that the “neo-liberal emphasis on exporting products has made the IDC virtually inaccessible to local filmmakers” (Saks, 2010, p. 7). This apparent disconnect between government intention and government action, is one of the issues addressed in this study. Local filmmakers are finding more value in the rebate scheme set up in 2007 by the Department of Trade and Industry (DTI), in response to the strengthening of the rand. According to this scheme, local filmmakers receive a refund of 25 percent, and foreign filmmakers 15 percent, of their investment in film production is South Africa (Tradeinvestafrica.com, 2007).

**Co-productions**

Now that the scene has been set, we can dim the lights for the main attraction, that of co-productions, both official and unofficial, and the effect it is having on the cinematic landscape of South Africa. Astrid Treffry-Goatley’s essay *South African cinema after apartheid: a political economic exploration*, deals extensively with the topic of co-productions, stating that this form of collaborative filmmaking has “become a trend in the global film industry.” South Africa has entered into numerous “official treaties” with countries such as Canada, Germany, Italy and the United Kingdom (Treffry-Goatley, 2010, p.
43). Saks states that “by the end of 2008, South Africa had co-production treaties with Ireland, New Zealand, Australia, Canada, Germany and the United Kingdom” (Saks, 2010, p. 76).

However, “many more are made through unofficial co-finance arrangements, which accounted for 33 percent of feature film production between 2000 and 2007, compared to the seven percent of official co-productions.” A glaring omission is that none of these co-productions were with other African nations, with the majority coming from “developed countries from North America and Europe that have more finance to offer” (Treffry-Goatley, 2010, p. 90).

The sometimes uneasy alliances created in co-productions have the potential to run into difficulties regarding “questions of ‘address’ and the sharing of editorial and artistic control”. Interestingly, “not one of the 22 co-productions made between 2000 and 2007 was a comedy,” a figure totally at odds with the taste of South African moviegoers, as seen through box office figures; “comedies account for 80 percent of the total box office in South Africa.” Treffry-Goatley ventures the argument that comedies are perhaps “more parochial” whereas the international audiences are able to “identify with a character’s emotional journey” in a drama (Treffry-Goatley, 2010, p. 45). This does not negate the fact, however, that these films have been made in South Africa, mostly by South Africans, have been partly funded by a South African corporation, but is not necessarily for South Africans, who clearly prefer a good chuckle over a cry.

The significant problem that arises with co-productions, at least from a South African point of view, is that “since South Africans tend to partner with producers from the financially dominant regions of North America and Europe, local producers normally make a minor financial contribution and thus become junior partners in these arrangements.” As in any shareholding arrangement, this skewed balance of power “can have a significant impact on their creative and editorial contribution.” Of the 22 co-produced films only 27 percent were locally produced. (Treffry-Goatley, 2010). Lastly, the article touches on the fact that in co-produced films “cinematic decisions are often made committee-style,” which runs contrary to what many believe is the best way for a film to be made, namely when a director’s vision is backed and supported by the producer (Treffry-Goatley, 2010, p. 45).
While it remains “questionable whether production for export is the best model for the industry’s economic and cultural development” (Treffry-Goatley, 2010, p. 54), the reality is that this will become an increasingly crucial part of our industry. My view is that South Africa has worked hard to gain the place that it currently inhabits in the world’s consciousness. The world is interested in making films with South Africans, and about South Africa, but we must be very careful not to be used and discarded when it turns its gaze elsewhere once more. Much of this is in our hands in how we negotiate the structures of these co-productions.

There are some encouraging recent signs that “perceptions of the country and the continent are changing.” In March this year (2011) the action movie Safe House, starring Hollywood heavyweights Denzel Washington and Ryan Reynolds, wrapped in Cape Town. The film was originally slated to be set in Brazil and merely shot in South Africa, but it was rewritten so that Cape Town “could finally stop serving as a double and, for once, be cast as itself.” Perry argues further that “if South Africa were just another example of win-lose outsourcing in which production is offshored to cheaper parts of the world, Hollywood’s love affair with Cape Town would last about as long as it takes for the next low-cost location to emerge.” The reason they linger, and the hope for a relationship that endures, is not just because of its diverse beauty, but also because of the skills of its crews (Perry, 2011).

However, it is difficult to see how these big-budget productions and co-productions, made for consumption in the commercial environment will benefit the local industry more broadly, and make film a medium for all South Africans to enjoy and partake in the making of. Something else is needed; firstly, nothing short of a revolution in the way that South African films are distributed and exhibited, and secondly a look at the Nollywood model, as basis for a discussion on the various ‘sized’ industries that exists in the filmmaking world, and where South Africa should look to position itself.

**Distribution and exhibition practices**

It is perhaps worth reiterating the earlier statement, that blacks “are denied the pleasures of spectatorship, let alone the agency of production” (Saks, 2010, p. 18). This section
focuses on this denial of the ‘pleasures of spectatorship’ and how it has caused the fragmentation of the viewing public.

Saks argues that the problem “lies in the way South African distribution and exhibition circuits operate as an oligopoly of two companies, Ster-Kinekor and Nu-Metro. The same companies who control the circuits under apartheid continue to control it today.” Consequently, films that have a predominantly black cast will be shown in predominantly white areas, which is where most of the cinemas are located (Saks, 2010, p. 60). Soweto, South Africa’s largest township, with well over a million people, got its first cinema only as recently as 2006, when Ster-Kinekor opened an eight-screen multiplex in the Maponya Mall.

McKluskey argues that in showing mostly products from the United States, these distributors serve primarily “as sales and marketing arms for studios in the US” (McKluskey, 2009, p. 11). The two conglomerates, together with to a lesser extend United Independent Pictures (UIP) are primarily focused on the bottom line, which Botha argues cannot be the sole criteria for the development of film in South Africa. “Our industry has been held ransom for decades by the developed markets’ funding and exhibition models, content and distributions strengths, and the worldwide dominance of the Hollywood studios,” he writes before suggesting that we look at South Korean and French cinema for inspiration on how to combat American dominance; “the introduction of incentivised screen quotas for domestic and African films thus becomes a necessary intervention” (Botha, 2007, p. 43). However, it would seem this is not a possibility, with the Department of Trade and Industry making the following statement:

We reject solutions to defend the economy from competitive pressures through restriction on trading with the world or subsidies to domestic companies. Such actions would detract from the market framework which brings major competitiveness improvements. They would also run counter to the World Trade Organisation (WTO) and the benefits it brings to our exporters.

(Treffry-Goatley, 2010)

This means that only 0.5% of films shown in South Africa are local (McKluskey, 2009). There seems to be consensus among several authors that this is due in large part to two factors. Firstly, as much as these companies have ‘window dressed’ to adapt to the new government’s policies, their “close alliance to Hollywood’s conglomerates is the same as
always, as are their risk-aversive business models“ (Saks, 2010, p. 61). Saks quotes head of Warner Ster-Kinekor’s local content division, Helen Kuun as sighting statistics that “only 1% of South African movies shown each year are financially viable,” before accusing her of having a “defeatist attitude” towards local content (Saks, 2010, p. 61). However, it must be said in Kuun’s defence, that she has since branched off and started her own exhibition company, called Indigenous Film Distribution, focusing solely on South African content (Burggraaf, Blog: Boutique distributors on the rise, 2011).

The second part of the problem is that South African films don’t have the marketing budgets to compete with these imported products that come “pre-packaged” and “ready to go to screen and into commercials without any investment.” Local films also have to cover the costs of their own prints, forcing a situation where the film “must earn four times its budget on the circuit to break even” (Saks, 2010, p. 61). Botha argues that “there is a definite need for the aggressive marketing of South African films in people’s home communities and the generation of local media enthusiasm around promotion of local product” (Botha, 2007, p. 43). It needs all the help it can get, from government and marketers, to persuade South Africans- by any means- that local is truly lekker when it comes to cinema.

Encouragingly, independent filmmakers are increasingly able to compete with the traditional powerhouses of production and distribution when it comes to marketing their films. Heatlie argues that the “growth of the internet over the last two decades has added an extra dimension to the way in which feature films are formally and informally marketed.” Filmmakers are now able to create hype around the release of their films by “triggering existing social networks for ‘viral marketing’ to take place.” In addition, producers of independent films are now able to “exchange scripts, advice, filmmaking techniques and works-in-progress via the internet, which in turn is leading to the emergence of novel, transculturated film” (Heatlie, 2011, p. 33).

A vital tool being made available to local filmmakers with limited marketing budgets, is that of the innovative approaches afforded by the internet that can “leverage large returns on small investments” in a number of ways through ‘e-marketing’ and other viral marketing strategies, combined with traditional forms of advertising when the films are released.
Heatlie argues that “South African producers need to be thinking of how to capitalise on this opportunity (Heatlie, 2011, p. 33).

Possible lessons to be learnt from Nollywood
In the book Nollywood: The Video Phenomenon in Nigeria, literary editor Pierre Barrot states that apart from the music industry “there has never been any other aspect of African culture that has resonated in such a way, achieved such a high profile and above all made such a big impact on the population,” as that of the “gargantuan production of video-films” that Nigeria exports to the rest of the continent. The industry, third only in size to Hollywood and Bollywood, employs an estimated 200 000 people and churns out more than 1600 films a year. While the industry itself and the films it produce may still be viewed by many as amateurish, Barrot begs the question, “which other country has seen the birth of a visual media industry so autonomous and so able to sustain and reproduce itself?” (Barrot, 2008).

Treffry-Goatley quotes a paper by the United Nations on “different types of public intervention based on the size of the film industry”, where three different sizes are distinguished depending on how many films are produced every year. South Africa’s hybrid industry is classified as being somewhere between ‘smaller’ and ‘medium-sized’ industries. The recommendation for medium-sized industries is to actively pursue co-productions, which we are doing as discussed earlier. The recommendation for smaller industries includes “the application of alternative technologies such as digital formats to make production cheaper and to overcome pre-existing barriers in distribution.” However, despite this recognition, “the introduction of digital cinemas seems to have received less money and attention than co-productions have.” Despite having “a number of digital screens” available in Ster-Kinekor and Nu Metro, South Africa were lagging far behind a comparative country such as Brazil, which “had installed 6000 low cost cinemas” by 2005. (Treffry-Goatley, 2010, p. 112).

Treffry-Goatley argues finally that by using digital technology, filmmakers can overcome the high barriers of entry associated with cinematic release by “making films for direct DVD release.” This way filmmakers will “still be able to use television screens as platforms to exhibit content,” which ultimately may prove to be a more cost-effective, feasible strategy for South Africa.” The million dollar question is of course whether this model will transport
to South Africa; “is the infrastructure in place and would the filmmakers, public and state support it?” (Treffry-Goatley, 2010, p. 114).

The infrastructure is definitely there, in terms of the “high number of television sets and DVD players in the country” (Treffry-Goatley, 2010, p. 114). In terms of filmmakers, several examples are sighted, including the likes of Dv8, which has produced a number of films in the digital format, as well as Joziewood Films. As for an audience, we wait and see.

**Conclusion: Where to from here?**

However much progress has been made in the first 17 years of democracy, ours remains “a fragile industry, especially in the face of globalisation” (Botha, 2007, p. 43). In the previous section I have discussed the possibilities that exist in embracing the digital format, both in the making and the distribution of films for a wider audience. In this final section I will conclude some of the other ways in which authors suggest the film industry must grow if it is to develop into a fully-fledged industry.

The path of co-productions, whether in an official or unofficial capacity, is both a necessary and unavoidable one to take. Saks suggests that the industry should find a niche within this area of filmmaking by focusing on the production of “a few medium-scale, well marketed and constructed films, as opposed to numerous small ‘art’ films with limited audience appeal” (Saks, 2010, p. 98). It is with this in mind that I have chosen the stated case studies; we know what was achieved with *District 9* through a unique plot, solid filmmaking and exceptional marketing. However, the film had the kind of financial backing that is unheard of in the local industry. The funding and marketing campaigns of *Spud* and *Skoonheid* shed further light on the validity of Saks’ suggestion.

For too long South African films have had miniscule marketing budgets and marketing was left up to distributors. The films tended to disappear quietly into obscurity, irrespective of their quality. South Africans have grown up on American taste, which means we have become accustomed to movies being “international commodities as opposed to national cultural products like dance, theatre or even literature.” Saks argues that in the face of such stiff competition, “the use of patriotism or national feeling as a marketing strategy seems woefully inadequate” (Saks, 2010, p. 58).
As far as government funding is concerned, there is little argument over whether it should be available. Allowing government support for the production of content made for the captive audience of South African television makes perfect sense. However, the NFVF has been underfunded and unclear of its objectives. Saks argues that this in itself is “not decisive in shaping a national cinema. What is decisive is a commitment, by both state and industry, is education and training at whatever level is necessary in order to reverse the inequalities of the past.” There is still no national film school, an idea that has been thrown around as far back as 1994, and Saks believes that until this is made a reality, real change cannot occur in an industry that “requires highly skilled people” (Saks, 2010, p. 71). However, looking at the sheer the number of film programmes that have sprung up around the country in recent years, perhaps the time for a state funded film school has come and gone.
3 RESEARCH METHODOLOGY

3.1 Research approach and strategy

In researching the growing number of South African productions aimed at both local and international audiences, the approach was inductive and qualitative. Leedy and Ormrod explain that using qualitative research methods enables a researcher to “(a) gain new insights about a particular phenomenon, (b) develop new concepts or theoretical perspectives about the phenomenon, and/or (c) discover the problems that exist within the phenomenon.” (Leedy P. D., 2010).

Fenwick explains further that “using relatively small samples, qualitative methods seek not so much to establish patterns that can be generalized to broad populations but rather to probe the details, ambiguities and nuances that individuals’ narratives often reveal.” It is argued that this type of information can easily become “lost in larger survey questions or aggregated into categories that may obscure important particularities.” (Fenwick, 2010).

The study thus follows an interpretive approach that does not try to “count numbers and establish trends, but to understand and interpret human experiences and the meanings that people attribute to those experiences.” The overriding strength of the in-depth case study is the possibility of “insights that can be yielded into individuals’ understandings and motives,” rendering it the most suitable approach for trying to understand the workings of industry players at a micro level. (Fenwick, 2010)

As stated in the introduction, the secretive nature of the film industry makes it difficult to address issues of dependability, a concept that “corresponds to reliability of the data in quantitative research.” Heatlie argues that “the nature of the film industry does not automatically lend itself to truthfulness,” and elsewhere that there is “not much honest communication in the film industry when it comes to what works and what fails, with obfuscation and rumor prevailing in the absence of transparency.” However, as in the author’s case I too feel that those who cooperated “did so in good faith” (Heatlie, 2011, p. 47).
3.2 Interview design

The data collected takes the form of interviews with selected filmmakers from the chosen case studies. This type of design is popular in cases where the particular situation (in this case the recent approach by local filmmakers to position their films both locally and globally) is still relatively unknown or poorly understood (Leedy P. D., 2010).

At the outset, the approach was to conduct face-to-face interviews with the selected individuals. In due course this changed in two ways; firstly, due to the busy lives and hectic travel schedules of these individuals, it became increasingly evident that finding a suitable time and place to conduct interviews would be extremely difficult. As a result, contact was made either by phone, email or (to keep up with the times) through their twitter accounts, and this was followed by the questions being emailed to respondents and then returned via email.

Flick argues that, other than is the case of semi-structured one-on-one interviews, the email interview runs the risk of coming closer to a questionnaire or a survey, rather than being an interview in the true sense of the word. He suggests that one designs the collection of data “more interactively by sending a few questions initially, waiting for a response and then sending some more. It was imperative, even through online interviewing, to build up a “temporal relationship (rapport) with the interviewees.” (Flick, 2005). Through months of back and forth emailing with the respondents, explaining the purpose of the study and asking for follow up answers, I would argue that a rapport was established.

Secondly, the respondents have each conducted numerous other interviews for the purposes of publicity for their respective films. The fleeting and unstructured nature of the industry means that these valuable insights are often not noted and gathered in any sort of way where it can be utilized in the future by academics and industry players. Where appropriate, content from these sources have been accessed to fill in the blanks.
3.3 Population and Sampling

The population implied will be the number of producers/directors involved in recently made South African films (since 2009), thus equating to roughly 60 films. The case studies were hand-picked from this list for their distinctive characteristics as will be explained in more detail in their respective introductions. The idea driving this selection was that each film would present different levels of budget (low, medium and high) to gain a range of perspectives (Heatlie, 2011). A number of other films were identified in each category, but were discarded for various reasons, such as vague answers to the interviews, lack of available information, or simply a non-response from potential interviewees. The design thus changed and adapted as the process went on. Rubin and Rubin argue that “adjusting the design as you go along is a normal, expected part of the qualitative research process” (Rubin, 1995).

Rubin and Rubin further claim that “all the people that you interview should satisfy three requirements. They should be knowledgeable about the cultural area, situation or experience being studied; they should be willing to talk; and they should represent a range of points of view” (Rubin, 1995). The chosen studies certainly satisfied this set of criteria; in the end they stood out head and shoulders above the rest for their frank and forthcoming answers, as well as their knowledge, passion and ambition.

3.4 The research instrument

The research instrument took the form of the structured interview, with the aid of other interviews sourced from the internet. Although the respondents were drawn from vastly different filmic backgrounds, a basic template of questions was devised and they all answered the same core group of questions.

In addition a few added questions were posed to each respondent to gain insight into their respective processes. The interview process was designed to get a range of responses on a set of topics, but this could only be achieved through allowing the respondents to ‘think about their worlds’ (Rubin, 1995). The interviews are attached at the end of the thesis.
3.5 Data analysis and interpretation

Once the interview answers were received, the data was analysed according to certain themes that began to emerge. Heatlie uses a procedure that involves a process called ‘thematic encoding’ that was a good fit for this study as well, insofar it is deemed “appropriate for the purpose of comparative analysis of different perspectives and requires defined topics to be delineated at the data gathering stage in order for comparisons to be made across cases and groups.” The process, as outlined by Flick (2005) involves the initial interview process, followed by summarising the findings of each case, and finally entering the analytical stage where the answers can be reduced to “a system of categories” or thematic domains (Heatlie, 2011, p. 42).

The questions sent to each respondent were designed to get a range of responses on various topics, such as film funding, government support, marketing and the future outlook of the industry. From the outset, I thus had a good idea of what areas I wanted to be informed on and what themes I wanted to explore. The eventual three themes emerged from the interviews, and I was pleasantly surprised at the detail of the answers the respondents gave. Where possible, their answers were also expanded with previous interviews they had given on the same themes.

Flick’s process of thematic encoding was helpful in structuring the information for comparative analysis. The three domains that emerged were ‘how was your film funded?’, which included a discussion on private funding, co-productions and government funding (the first three questions of the interview), ‘marketing and distribution’ (questions four and five), and ‘your thoughts on the future of the industry?’ (the final question).

3.6 Limitations of the methodology

This type of methodology has clear limitations, insofar it focuses on the specific rather than the general; as stated before, during the period 2009 to 2011 there were many more films produced in South Africa. It is thus entirely possible that there may be many more important opinions of other industry players that are not represented in this study. This is
unfortunately the case with a “limited qualitative research” of this type and can only be addressed through “future research” (Heatlie, 2011, p. 45).

Heatlie argues further that “the usefulness of qualitative research over time” may also need to be questioned, especially in the field of film, which is described as “a volatile, fast-changing arena in which funding rules, policies and markets are constantly changing.” As a result it may be that parts of the study will have a “limited duration of validity” (Heatlie, 2011, p. 46). However, the study will remain relevant in the research done on the three specific case studies in the context of the concept of Transnational Cinema.
4. CASE STUDIES

4.1 Introduction
The respondents were given the same set of questions, which were then divided into three main areas of analysis, namely funding, marketing and lastly the filmmakers’ views on the future of the industry. Each case study begins with an introduction to the film, followed by a chapter on the motivation behind its selection, before showing the responses on funding and marketing. Their outlooks on the future of the industry have been included in the following chapter.

4.2 District 9

Introduction
Even though District 9 was not an official co-production, the film is widely regarded as being ‘South African’, insofar it was shot entirely in the country, with a largely South African crew and cast. The writer and director, Neill Blomkamp, was born and raised in South Africa before moving to Canada at age sixteen.

District 9 takes place in the sprawling suburbs of Soweto near Johannesburg. The story picks up at present day, explaining that since their arrival in 1982, extraterrestrials refugees, labeled ‘prawns’ by locals, have been forced to live separated from the human population in the “squalor, crime and violence of the fenced enclave known as District 9.” They are to be forcibly removed to a relocation settlement further from the public’s eye by a “private multinational security and defence corporation working under contract for the South African government”, led by the hopeless and hapless anti-hero Wikus van der Merwe (Moses, 2010). The film follows the story of Wikus as he moves from oppressor to oppressed, after being exposed to alien fluid and literally transformed into a ‘prawn.’

District 9 was both a critical and commercial success, being nominated for an Academy award for best picture and grossing over $200m dollars worldwide. It did, however, also come in for its fair share of criticism; its negative portrayal of Nigerians as gangsters and
thugs led to an official complaint by the government and a ban on the film in that country, while the accusation was also levelled that despite its cleverness and uniqueness, the film is simply a “troubling lament on behalf of South African whites for the world lost with the end of apartheid” (Moses, 2010). Critic Armond White goes so far as to say that the film “makes trash of that country’s Apartheid history by constructing a ludicrous allegory for segregation” (White, 2009). Nonetheless it has been praised for using science fiction to comment on a variety of issues, past and present, such as “the legacies of apartheid social engineering and forced removals” and the xenophobic violence that rocked the country a few years prior (Vlies, 2010).

**Motivation for selection**

Michael Murphey, the South African supervising producer for the film, believes that *District 9* will serve as an “inspiration to the next generation of filmmakers” (Appendix A). The film was a game-changer for the South African film industry as far as it proved a few vital things; firstly that a story set in South Africa, with an Afrikaans protagonist in Wikus, can not only ‘travel’ beyond our shores, but can enthral an American audience, most of whom have never heard of Soweto and never been to South Africa. Secondly, it has proven that our cast and crew members, through decades of skills enhancement in facilitating international productions, have come into their own and have at least equaled the skill level of their Hollywood counterparts.

It is the aim of this case study to investigate the reasons for the unlikely success of *District 9*. It would be convenient to simply point to the fact that the film was produced by Peter Jackson and thus had the necessary ‘weight’ behind it to succeed. However, from the vantage point of the South African feature film industry, I believe there may be some valuable lessons to be learnt in terms of the structure of the film’s funding, as well as the groundbreaking marketing campaign conducted by Sony films in the US.

**Funding of District 9, the NFVF and the DTI**

According to Murphey, *District 9* was funded by a US company called QED, which is in the “business of financing movies” and had a long standing relationship with Peter Jackson.
Murfhey states that there was a “short window of opportunity to bring SA financing to the table”, but that “rich South Africans quickly became disinterested” when presented with a script “about aliens in Johannesburg”.

As far as state support is concerned, Murphey notes that the NFVF “did nothing for D9” and further that this body, whose duty it is to “bestow co-production status on productions” is a “highly political organization that is inclined to deny (this)” more often than not. He explains further that the NFVF has its own set of guidelines, above and beyond that of the official treaties between South Africa and said country, setting the bar “high with regards to what can qualify as a co-production.” This, he claims, remains a “contentious issue” with South African filmmakers. Finally, he is of the opinion that the “NFVF has a cynical agenda of forcing foreign producers to back away from co-productions with South Africa.”

Murphey has much more praise for the DTI, which he calls “a fantastic organization that works hard and productively to bring business to South Africa.” He explains:

> The DTI paid us the rebate of 15% of QSAPE (qualifying South African production expenditure). Co-productions get a higher rebate (works out to about 27%). At the time both rebates were capped at R10,000,000. After we appealed, the DTI even paid us a bit more than the amount we requested on our initial application. This is because we wound up shooting more footage in South Africa and spent more money than originally planned. We were going to shoot additional footage in New Zealand, but SA was a better option – financially and creatively.

**Sony’s marketing campaign**

In terms of the film’s marketing, Murphey states that Sony films became the distributor in the United States through what is known as a “negative pickup, meaning they didn’t finance the movie as with most studio movies, but instead had a deal in place to distribute the movie and pay an advance to the QED for the privilege.” Because they had no hand in the financing of the film, they also had “less say during the production than they would have it were one it of their own.” Ultimately, this granted Blomkamp, who Murphey calls “a bona fide genius” free reign to make the film his way.

Murphey estimates that Sony spent in the region of $25m on the film and offers that “the Sony marketing guys in LA were brilliant. Edgy, cool and daring, like the movie. They got it.”
They followed a viral campaign, inspired by ‘whites only’ signs during Apartheid, that played on the lack of rights of the aliens, thereby creating hype around the release of the film, while simultaneously exploring the film’s themes (Dwyer, 2009).

Ster-Kinekor, Sony’s partner in South Africa, picked up the film locally and “did a brilliant job” according to Murphey. He argues that with “the exception of Afrikaans films, South Africans tend to fold their arms and refuse to embrace SA made movies,” but that this marketing campaign pulled locals “out of their houses and into the theatres” which they have not done so proudly and en masse for an English language film since Jamie Uys’ 1981 hit, *The Gods must be Crazy*. It is a strange phenomenon to see a film made in South Africa by South Africans gain success in the States and then only travel back to entice local audiences. It shows perhaps the degree to which Hollywood still controls the distribution channels and ultimately dictates local viewership patterns.
4.3 Spud

Introduction

Spud was a film long in the making. Based on the bestselling novel by John van der Ruit, the film rights were picked up by the author’s good friend, producer Ross Garland, and the two “began a discussion when the first Spud book started making the bestseller lists.” However, it was only when the book began selling well overseas that “that their talk got serious.” (Burggraaf, Spud: a movie to the mainstream, 2010).

This coming of age film follows the story of John Milton, nicknamed Spud by his boarder buddies, as he enters the terrifying first year of high school at a prestigious private school in Kwazulu-Natal. The film kicks off in 1990, the year that Nelson Mandela was released from prison. Against this backdrop of a shifting political landscape, Spud is himself going through many changes; as he tries to make his way through the minefield of teenage awakening “his eyes are opened to love and its perils, the value of true friendship and the complete insanity of life” (Spudthemovie, 2010). Renowned British actor John Cleese plays ‘The Guv’, Spud’s “eccentric, alcoholic English teacher” who takes a liking to the boy, introducing him to literature and departing with sometimes dodgy relationship advice (Spudthemovie, 2010).

The film exceeded expectations at the box office, grossing R2.9m in its opening weekend, making it “the highest grossing opening weekend for a South African film outside of only four Schuster titles.” (Burggraaf, Spud: a movie to the mainstream, 2010). In the summer of 2010, it had the rare honour of landing at the top of the South African box office, “ahead of international blockbusters like Harry Potter and the Deathly Hallows” (Film Contact, 2011).

Motivation for selection

Spud was not a co-production either. Early on in the development stage “Spud had been selected for the co-production market at the Berlin film Festival,” and Garland met with producers and financiers from the UK, Ireland, Germany, France and Canada, who “seemed genuinely interested.” Garland felt that while the film needed an international star to connect with a global audience, what it needed in equal measure was authenticity. He
feared that this was something that would be lost in a co-production and became convinced that what was best for this particular project was “a totally South African funded and produced film, made in the way we believe is right” (Garland, 2010).

The film was thus chosen as a case study for this report because of its ‘transnational’ ambitions; the casting of Cleese (as well as to a lesser extent that of rising Australian child star Troye Sivan in the title role) showed the serious intent of the filmmakers to market the film both locally and internationally. In casting the role of ‘the guv’, the producers enlisted the services of John Hubbard, “a London based A-list casting director,” who had cast films such as Lord of the Rings and The Bourne Identity. The search was lengthy and costly, and after a host of big name British stars, including Hugh Grant, Bill Nighly and Stephen Fry, had turned them down, the producers became aware that Cleese was interested. Garland states that Cleese’s fee was “certainly on the high end” of what they had budgeted for, but argues that it “could just make the difference in getting the film financed, made and into the world” (Garland, 2010).

Their calculated gamble seems to be paying off, as evidenced by the announcement of “distribution deals in place to release it in the UK, Ireland, the Middle East, Turkey, Australia, New Zealand and Scandinavia.” (Film Contact, 2011). Garland says that “first major releases will be in the UK/Ireland (where Universal UK is the distributor) and Australia/New Zealand (Pinnacle is the distributor) in early 2012” (Appendix B). He is quoted elsewhere proudly stating that it is “a bit of a coup for a major distributor like Universal UK to pick up a South African film” (Film Contact, 2011).

The film has also been screened on SAA flights and done well in DVD sales and TV deals, “which are based largely on what the film did at the box office.” Of the 15 to 20 available combined territories, Garland estimates that “Spud has sold to about a third of those” to date, while they plan to sell “the balance of remaining territories during 2012,” depending on how the initial releases fare. All of these deals were not simply down to luck, but hard work and perseverance in exposing the film to as many festivals and markets as possible.

The funding of Spud, the NFVF and the DTI
Garland states that the bulk of financing was received through “private equity,” saying that “as is standard, the private investors recoup (are repaid) in first position from revenues, and
the profits are shared thereafter between the investors and key talent.” Securing Cleese early on assisted in attracting investors; Garland explains that when he had assured Cleese’s agent that they could afford his asking rate, he was playing “the oldest game in the film industry, both parties knowingly involved in the con. We both know the money isn’t raised yet and that, truthfully, we can’t afford any at all. The star says yes to an independent film in the hope that his endorsement raises the money to pay him and make the film. It’s a delicate push-pull where both parties have to take a bit of a leap of faith to see if the film will happen” (Garland, 2010).

The funding of *Spud* got off to a flying start when an investor named Nic Evans contacted Garland, with a short message saying that he was interested putting money up for the film. After a short meeting, Evans offered to fund 25 percent of the budget, something that is almost “unheard of” and became the principal investor. A little while later, they got a “big break when a change in the rules for government funding from the DTI” allowed them to “access their funding during the project rather than at the end,” taking care of another 25 percent. The producers reworked the budget, trimming it by ten percent and took advantage of positive foreign exchange movements, before they were contacted by the firm Deloitte, who pledged another fifteen percent, reasoning that “if they were ever going to invest in a film it might as well be *Spud*” (Garland, 2010).

It is clear that two things worked in the favour of the producers’ efforts to raise funds for *Spud*. Firstly, the huge following of the book gave the film ‘legs;’ they did not have to spend their time explaining the story to local investors or convincing them of its appeal. Secondly, Garland states that it “didn’t hurt that *District 9* was tearing up the box office at the time. Even though the film was made with Hollywood money, it was all South African talent and it made people believe in our industry’s potential.” The push for the remaining finance proved trickier; they cold called a few other investors and threw a fundraising gig, moving “ever closer to their target.” By his own admission, the “relentless search for money” had left both him and his producing partner “a bit broken” and he was relieved when the final two investors came on board and the film was finally locked in (Garland, 2010).

As far as state support is concerned, Garland is less critical of the NFVF, stating that the film did receive “development and production funding as part of my slate with them.” John van
der Ruit, in the book ‘The making of Spud the movie,’ recalls how he was “deeply suspicious” of the NFVF’s involvement, due to what he perceived as the “narrow confines of their screenplay approach,” that insists on the writers following the classic Hollywood three act structure. Van der Ruit feared that pitching the film as a “formulaic teen comedy would have steamrollered every ounce of what the book was seeking to do” (Garland, 2010)

Furthermore, the film also made use of the popular DTI rebate scheme which Garland calls “a major boon for local films.”

**Spud’s marketing campaign**

The film was distributed in South Africa and Anglophone Africa by Nu Metro, who “with the Harry Potter and Twilight franchises in their stable felt like a good fit,” as Spud shares “a core audience with these franchises.” Garland explains that while local distributors are not content generators in South Africa, they do “have decades of distribution and marketing experience.” As a result they are, in his opinion, “key partners in the all-important cinema roll-out which remains at this stage the cornerstone of a distribution plan.”

The producer employed a unit publicist whose job it was to generate PR during productions, and also to create “a record of interviews and copy to be used for the release.” They created materials such as the poster, trailer, and the ‘making of Spud’, but he explains that the majority of the marketing budget went towards “the distributor’s budget - for 35 mm prints, copies of trailers and posters, and above the line campaigns especially television, outdoor and print.” In this regard Garland feels that they were certainly not “undermarketed.” He argues that the PR exposure was “valued at over R20 million and the marketing spend was at the level of Hollywood blockbusters, saying that he doubts that they could have increased admissions “with any extra marketing spend or ideas.”

It is evident by this attention to detail in the PR and marketing campaign, as well as the capacity and willingness to spend, that Garland had done his homework in how to successfully launch a film campaign into the public domain. He explain that “what has been shown recently in developed markets is that you do need a certain level of above the line spend for audiences to believe a film is legit. That is a challenge for local films trying to move up box office thresholds.”
4.4 *Skoonheid*

**Introduction**

*Skoonheid* (Beauty) is director Oliver Hermanus’s second feature film, following on the critically acclaimed *Shirley Adams*. It was the first official co-production between the countries of South Africa and France (Gauteng Film Commission, 2011).

*Skoonheid* tells the story of Francois van Heerden (Deon Lotz), a white Afrikaner who is “a product of apartheid and feels excluded from the new South Africa.” He has carefully constructed his life to gain “societal approval” but begins to realise the futility of his existence, filling him with “profound regret and the conviction that his is a wasted life.” (Gauteng Film Commission, 2011). While carefully maintaining this image of the heterosexual male, he lives another life where he frequently meets up with other men for sexual encounters in a farmhouse outside of town. When he meets Christian (Charlie Keegan), a handsome young man who is the son of an old friend, he falls hopelessly in love and a catastrophic situation evolves that “cannot possibly come to a good ending” (Ronge, 2011). Film critic Barry Ronge calls *Skoonheid* a “slow, measured film that compels the audience to confront extreme life situations.” (Ronge, 2011). It won the Queer Palm award at the Cannes film festival, the award for best actor for Lotz at the Berlin Film festival and has also been chosen as South Africa’s official entry for the Best Foreign language film at the 2012 Oscars. Peter Goldsmid, SA Academy Selection Committee spokesperson, explains that the decision was unanimous insofar as the film met all the “universal criteria” of good filmmaking; “it held the audience, it had a protagonist with real internal conflict, it had a strong structure and it is a compelling, assured piece of work by a confident director with a distinctive vision and point of view.” (Gauteng Film Commission, 2011).

**Motivation for selection**

In the foreword to his interview with Hermanus, Roger Young describes *Skoonheid* as “an important new work in the South African canon because it starts a process of interrogation that has been lacking in local film for so long” (Hermanus, The audience is down syndrome, 2011). As stated in the literature review, Hermanus is in the unique and fortunate position
to receive funding from abroad, and is thus not at the mercy of state institutions such as the NFVF. Perhaps because of this, he seems quite happy to play the enfant terrible of the South African film industry, unafraid to speak his mind, whether about critics, government or fellow directors. In an industry that is notorious for its inability to be transparent, it certainly is a breath of fresh air, providing insightful material for analysts and academics.

Hermanus, at age 27, represents the new generation of South African filmmakers. It is the aim of this case study to investigate the importance of this ‘type’ of emerging filmmaker in the highly political environment that is the South African film industry. Again, some valuable lessons may be learnt from the way the film was funded, his views on the NFVF and DTI, as well as their different marketing and distribution campaign.

**Funding of Skoonheid, the NFVF and the DTI**

Speaking of the co-production agreement between South Africa and France, Hermanus says that “there were no real conditions other than the spend split between the two countries: 20% France, 80% SA.” (Appendix C). Further assistance was received from the DTI’s rebate scheme.

Even though Hermanus believes co-productions to be “a bit of a ball-ache for producers,” due to the red tape that surrounds them, he concedes that if one has “good lawyers and patient producers who have the necessary contacts in their respective countries,” it can be a great thing. He argues that his career “is pretty much a testament to the value of those treaties,” as he feels that his work would never be fully funded by the South African bodies, as it is deemed too ‘artistic.’

This is a direct jab at the NFVF. Like Murphey, but typically more vociferous, Hermanus is critical of the NFVF’s agenda and attitude towards local filmmakers. He states that they had “no relationship” with the NFVF and further that the body is “at the moment not able to let filmmakers do their job,” citing that he has been consistently critical of the body’s tendency to keep people in positions of power “for too long and harbouring too many frustrated filmmakers who try to hijack and indoctrinate the work of young creatives, essentially rendering everything they get involved in below international standards of cinema.” He asks
“what has the NFVF done in terms of strong films or strong box office?” (Hermanus, The audience is down syndrome, 2011).

In the interview with Roger Young, Hermanus particularly has it in for Clarence Hamilton, head of development and production for the NFVF, stating that “he has too much power and it has a negative impact on the films they make.” He tells the story of how Hamilton at first labelled his debut feature *Shirley Adams* “unwatchable” before doing an about turn when the film was praised at the Locarno and Toronto Film festivals. There was a “change of tune from Clarence,” says Hermanus “suddenly I’m talented.” (Hermanus, The audience is down syndrome, 2011).

Echoing Murphey again, Hermanus has nothing but praise for the DTI, calling them “amazing to work with.” He argues that the strength of the organisation lies in the fact that they are able to stay unemotional; “they don’t get involved creatively, they simply support the fact that when I make a film, I bring millions of rands into the country and create jobs in the industry and they support that.” The DTI approved their rebate application without too much hassle, a scheme that Hermanus calls “essential in attracting international investors and producers to make films in South Africa.”

*Skoonheid’s marketing campaign*

Questioned on his views on the way the film was distributed, Hermanus states that “after my experiences on my last film I vowed to never put my work in the hands of a lazy distributor again. They are old fashioned, think in very conservative terms and are slow on the uptake of a new SA film audience.” In response they started their own distribution company for the film. Hermanus echoes the sentiment of so many local filmmakers when stating that the big distribution companies are not “totally invested in local cinema”. As there is so much lacking in this regard, “the most fashionable thing to do in this business at the moment is to start a distribution company,” explaining that “it’s a business and until we become important to business we won’t be taken seriously.”

The film’s marketing arm was “a team that does major, major Afrikaans genre films,” which helped to get the message through to the lucrative mainstream Afrikaans market, that this is a film they need to go and see. Additionally he is grateful that the “big media houses”
recognized that it was “time to grow this audience” and made a point of helping get the message across. He believes that this approach means that “a lot more people are going to see it than if I had gone through the NFVF system,” arguing that this marketing process may prove that “if you market something in a certain way, it will attract a larger audience than you might think. I’m not saying that they’re going to stick around more than 30 minutes but they may go” (Hermanus, The audience is down syndrome, 2011).

This point needs further clarification. Hermanus argues that the “audience does not relate to the film anymore, they relate to the marketing.” In an arena that is dominated by expensive Hollywood films with marketing spend that is “five times the budget of the South African product” it is difficult to launch a worthy challenge. You have got to find a way to compete by creating “hype”, but from a content point of view he argues that differentiation is the key to grabbing the attention of the audience. He explains:

You can’t compete with the products and you can’t compete with the marketing. So give it up. You either have to make something that’s not comparable and the audience therefore has a direct different option as opposed to trying to put two things very close together. It doesn’t happen because that’s how Hollywood survives. They don’t get taken out of the equation. It’s not like we’re going to eradicate them with our own big blockbusters. Goodbye James Bond, Hello Simphiwe.

(Hermanus, The audience is down syndrome, 2011)
5 ANALYSIS OF FINDINGS

5.1 Introduction
The intention of this chapter is to highlight some of the key findings that came out of the interviews, with the purpose of relating them back to the issues discussed in the literature review. Where the previous chapter was divided according to the three case studies, here the themes that emerged have been separated so that the outcomes of the interviews be compared and contrasted.

5.2 Private funding
The first question posed to each respondent was designed to get them to talk specifically about how their film was funded, leading into a discussion in the following questions around co-productions and government support. The films were funded in vastly different ways, offering a range of perspectives on this highly secretive and disorganized aspect of the filmmaking process.

Firstly, the big budget film District 9 (in the context of the South African industry) was privately funded by a company that is “in the business of financing films.” The “window of opportunity” was soon shut to local investors, who showed no interest and subsequently lost out on a wonderful investment opportunity, both for themselves and the industry. In a recent study of twelve industry professionals, consisting of six producers, two distributors, one investor each from the NFVF, the DTI and the IDC and one private investor, Heatlie finds that the respondents “bemoaned the absence of private institutional investment such as the private equity funds that are involved overseas.” Due to the history of severe underperformance of locally made films, private equity “doesn’t have much appetite for risk in SA,” and as a result these kind of companies that finance movies as one of their primary functions simply do not exist (Heatlie, 2011, p. 57).

In this regard, the funding of Spud is somewhat of a game changer, in terms of the fact that the bulk of the film came from privately equity. For a locally funded film, the rumored budget of over R30m is big. Garland argues that even though he is a “big fan of low-budget
films” this was the film for him that he could take a bigger swing at; “I think everybody agrees how impressive District 9 was and it cost US$30-million. The filmmakers clearly said to themselves: this is what we can make. No one suggested making it for less. If they had made District 9 for US$3-million it wouldn’t have been the same film. So I thought, if you are ever going to take a punt at a local film and this is the one then this is how we can make it.” (Burggraaf, Spud: a movie to the mainstream, 2010). In this regard it seems that Murphey’s hope for District 9, that it would be an inspiration to “the next generation of filmmakers,” has come true rather sooner than he would have anticipated.

Skoonheid was the only official co-production and another first in the industry in that it was an SA-France production. Hermanus, through a combination of talent, hard work and opportunity has managed to land himself in the fortunate and position of receiving international funding to make his films. Previously there has been ample interest from abroad in South African stories of historical and social significance, such as Invictus (2010), Goodbye Bafana (2007) and Country of my Skull (2004), but his achievement is significant in two ways; firstly that the making of the film is entrusted to a homegrown director and not handled by an established international one, shipped here with a litany of international stars, and secondly that the subject matter has moved beyond the ‘obvious’ South African stories that deals with themes of reconciliation and recuperation of the past. This is perhaps indicative of how far we travelled in our “transition into democracy,” that the emphasis is finally shifting from the issue of “racial politics” to others, such as sexuality in this case (Balseiro, 2003).

Elaborating on why he shied away from co-production, Garland says that while “they are an important source of funding for independent film,” because they “work especially well in integrated and wealthy regions like Western Europe,” they are harder for countries such as South Africa to use proactively, as it becomes tricky to “marry a locally generated film with a foreign co-production partner. Firstly, he argues, “we don’t have the same incentive to travel to find cheaper shooting locations,” and secondly that “the key talent for locally developed films tends to be South African. This makes the spend and financing splits harder to fit into a co-pro model.” Ultimately he argues that the model still works best for “incoming serviced productions, which are developed and owned elsewhere.” The co-production treaty “helps the incoming serviced productions, which are developed and
owned elsewhere,” but does not seem to allow the local partner much leeway in becoming the senior partner.

5.3 Government involvement

It is abundantly clear, not only from these case studies, but also from the literature, that for film in this country to kick on and move into a space where it is both prolific and financially sustainable, the ‘soft funding’ of the NFVF, DTI and IDC will be a much needed resource. Hermanus makes the point by giving the example of the US, a country where it is generally considered ‘easy’ to make a film. He argues that it is in fact “one of the hardest countries in the world to become an independent filmmaker,” as there are “no equivalent bodies such as the NFVF or DTI; you can’t get money from anywhere else unless it’s a private person or producer and that producer is in Hollywood. It’s painfully depressing.” (Hermanus, An Orgy Would Be More Fun, 2011).

In this regard, government has shown its intent with the rebate incentive scheme offered by the DTI, “committing R1bn to 188 projects since 2004”, which has led to the increase in locally produced films over the last few years. Like the participants in this study, Heatlie’s respondents were also unanimous in their praise of the DTI, with the general feeling that it is a system that works well, because it is “fair, clear, and easy to apply.” (Heatlie, 2011, p. 61). The body encourages co-productions, and is even willing to adapt to specific appeals for further rebates in cases where films were not co-produced but shot largely in the country, such as District 9.

The NFVF did not receive the same glowing report. In its defense, it seems that the organization is mandated with a near impossible set of tasks and allocated only a relatively small budget to achieve this. As a result, they are accused of lacking a coherent approach and creating confusion and discontent among the filmmaking community. Hermanus’s claim that they “try to hijack and indoctrinate the work of young creatives” is supported by the findings in Heatlie’s study, where one respondent sums it up by saying that there “is a conflict of vision between the various stakeholders... and the transformation-driven NFVF” (Heatlie, 2011, p. 62). Nevertheless, Garland does have some sort of working relationship with the body, being able to utilise their funding without too much interference in the
production of the film. It would appear that the NFVF is a prickly creature that needs to be either avoided entirely or approached with due care.

Lucia Saks argues that simply increasing the budget allocated to the body would not solve its problems. In an industry that requires highly skilled people the “only people who would benefit from an increased NFVF budget are those who already have the skills and are already in the industry.” It would seem thus that the intentions of the NFVF are fundamentally misguided and misplaced and in need of a serious rethink. Saks argues finally that the best way for this organisation to fulfil its mandate, of addressing historical imbalances and providing opportunities for persons from disadvantaged communities, remains the establishment of a state film school (Saks, 2010, p. 71). It can be argued that the IDC and DTI already operate in the field of government assistance to film production. Rather than using its limited resources to do the same (but to a lesser extent due to its limited budget), the organisation may be of far greater benefit to itself and the industry by focusing its attention on skills improvement, with the aim of making a real and lasting difference.

In a similar vein, many of the respondents in the Heatlie study argue that the NFVF should have an “industry research mandate” insofar they should be responsible for assisting producers in audience research and analysis to “improve market understanding.” One respondent argues that the NFVF should take a “leaf out of the UK film council’s book in producing ‘detailed and comprehensive analyses’ of the industry, looking at how films and DVD’s performed regionally” so that it can be established where the “pockets of value” are and subsequently where and how to focus distribution (Heatlie, 2011, p. 52).

5.3 Marketing and Distribution practices
Furthering the case for market research, Saks explains that the “process for getting funds moves from concept to distribution to financing to manufacture to marketing, which means that funding is dependent on getting distribution.” To obtain distribution, the project needs to show that it is “defined and targeted at a viable audience. This does not always necessarily have to equate to being financially viable; “if the project is developmental (say, concerned with health issues) then profit is not a concern.” What is important is that there
is some form of “quantifiable data” to show to the distributor, so that time and money can be invested in the distribution of the film (Saks, 2010, p. 40).

Garland comments that “market research companies haven't played much of a role in the industry to date.” Instead it has been left to the producers themselves to perform “ad hoc research.” He explains that “market research, or at least researching comparable film performance, helps right-size the budget and develop a sensible business plan. To do this a producer needs to be honest about the project and where it fits in terms of its genre and natural audience pull.” The movie started with a best-selling book, which began with a quirky, original story. Published in 2005, it afforded the producers “five years of anecdotal feedback from fans, which helped to assess its crossover potential.” Garland ventures the opinion that market research may become more formalised as “we see the industry maturing into a tangibly commercial space” (Burggraaf, Spud: a movie to the mainstream, 2010).

Early in the development stage of the film, Garland had secured the services of Robbie Little, an international sales agent in Los Angeles. Little had been responsible for selling Tsotsi and “was therefore well placed to sell a breakout South African film to the world market.” The distributor was also instrumental in the development of the script, suggesting a crucial change to the ending of the film; where the book ends with the death of Spud’s friend Gecko, Little argued that this would not work for a film of this genre, suggesting an alternative ending culminating in “the crescendo of Oliver!” the successful staging of the play that Spud is cast in. Bloore states that “marketing departments and distributors very rarely influence the creation of the films they will eventually exploit,” which can “sometimes be said to be one of the weaknesses of independent filmmaking” (Bloore, 2010). In this manner, Garland was able very early on to begin matching the product they were creating with the audience demands.

Once the crossover potential of the story from book to film was established, Garland identified the film’s target audience and aligned the film’s marketing accordingly. Nu Metro, as stated earlier, was identified as the appropriate fit, and utilising one of the traditional distribution powerhouses thus made sense in this instance as they were able to “leverage Nu Metro Films’ marketing experience” on similar type films. District 9 similarly appealed to
a mass audience with it science fiction storyline and was distributed successfully by Ster-Kinekor, on the back of an eye catching viral marketing campaign by Sony.

The popular argument seems to be that the above mentioned distributors have not done enough in the past to promote local films, in amongst the vast majority of Hollywood fare that dominates screen time. The fact is that opening weekend is make or break for a film; if it does well, it survives to live another week on the big screen. If it fails to attract an audience, it will “quickly be bumped out of cinema for a film with better prospects, invariably a higher budget Hollywood title” (Heatlie, 2011, p. 83). These two case studies, however, illustrates that the traditional powerhouses of distribution can be utilized successfully if the target audience has been clearly identified and the film has been marketed accordingly. The bottom line is that this system is here to stay, for better or worse, and the only way to beat them is to join them by finding ways to alert audiences to the films through clever, innovative and precise marketing.

Hermanus forms part of a new wave in choosing to go it alone in the distribution of the film. Furthermore it is encouraging to see that Helen Kuun, formerl of Ster-Kinekor, has shown anything but the “defeatist attitude” that Saks accused her of by going it alone and starting a homegrown distribution company called Indigenous Film Distribution, saying that the increase in locally made films has shown that there is “enough volume” to merit going the “boutique route” (Heatlie, 2011, p. 32). Murphey states that Kuun’s success with District 9 and other films “helped her credibility” to accomplish starting her own distribution company.

5.4 The future of the industry

The NFVF stated in 2008 that a certain number of films needed to be produced every year before the market developed an appetite for local content (NFVF, South African feature films: 2000- 2007, 2008). Similarly, Burggraaf argues that “quite simply, a sustainable mainstream industry needs feet through the cinema door as much as it needs vision and talented people to make its films.” (Burggraaf, Spud: a movie to the mainstream, 2010).
In this regard, Murphey argues that “if you created a chart that tracked the progress of the SA film industry over the last fifteen years, you would see that it is only going upwards and upwards. Everything about the industry is becoming more sophisticated.” While he emphasises that it is important to differentiate between the ‘service industry,’ which is not producing but “in the business of making other people’s movies and charging a fee for it” and the indigenous industry, it is encouraging that the latter is coming on “in leaps and bounds.” He argues that South Africans are “finally learning to tell their own stories rather than making bad and cheap imitations of American movies,” and further that “all aspects” of the local industry are showing signs of maturing; “Financing is becoming more available as filmmakers are demonstrating that financing a small movie might, after all, be a better deal than flushing cash down a toilet.”

While the increase in local film production in the last two years (2010 and 2011) has been hugely encouraging for the industry, it remains to be seen whether the desired tipping point has been reached. Garland agrees that the industry is currently going through a “growth phase” which is especially noteworthy as much of the funding has come from “a significant portion of private capital.” If this trend persists, the industry stands a chance of reaching the maturity stage that Murphey speaks of, where it can become self-sufficient and sustainable; if ‘brands’ such as Spud can be “successfully exploited and can gain an audience, we may see a much more robust industry produce more local work – work that is self-funding instead of investor sponsored, work that ups the quotient of quality product and work that has international legs” (Burggraaf, Spud: a movie to the mainstream, 2010). Murphey believes that the industry is on the right course, predicting that “incredible things are going to happen in the next decade” in what he calls “a fantastic time to be a SA filmmaker.”

Hermanus agrees that the future will see “more local products each year as our local audience becomes more and more responsive and supportive of a local product.” He argues, however, that local filmmakers still fall prey to “imitating international products” and that the “many faces and many different ambitions” that represent the industry need to come to the fore so that it continues to develop “a more distinctive aesthetic.” If filmmakers are not encouraged and brave enough to continue to “push the audience to engage in various kinds of local stories,” we may just “burst our own bubble.” His contention that one
cannot compete with the mighty Hollywood production and marketing machines is worth noting. As stated before, his argument is for differentiation, not imitation. He points to the industries in Mexico and Australia as examples, where filmmakers developed their distinctive styles and audiences grew with them. Saks argues that Australia seems to “have gotten democracy culturally right,” pointing to a system where the film commission “acts as a core funding body and facilitator in alliance with other government agencies,” creating a “strong, interlinked federal matrix to support regional film initiatives” (Saks, 2010, p. 52).

Hermanus elaborates on the subject of Mexico, saying that with government support, the filmmakers of that country have developed a unique brand, becoming commodities for the country, by creating narrative and developing audiences; “now Mexico does watch Mexican films as opposed to before when they watched nothing.” In this way “you’re not going to get a hundred filmmakers, you’re going to get five.” Speaking of his own career, he says that “I don’t expect to reach an audience with my second film, I expect to develop an audience. Like a twitter name. Gain as you grow,” pointing to the career of one of his heroes, director Pedro Almodovar who “didn’t start out making these big brand international films worth $18m” (Hermanus, The audience is down syndrome, 2011).

Coming from an acting background, I leave the last word on the future of the industry up to another actor, Jason Cope, who starred in both District 9 and Spud. Cope says that working on District 9 was a case of “many childhood dreams coming true” (Appendix D). Solid parts on worthy films are few and far between for South African actors, who deserve credit for sticking it out during a few lean years at the turn of the century. Cope speaks glowingly of “the raw creativity that Neill (Blomkamp) unleashed when he made the film – he has a restless, seeking nature when it comes to ideas, he turns things over and looks at them again and again, always re-aligning the whole as he goes.”

In this respect, he says that it was an “absolute privilege” for him to meet and work with “so many talented and professional crew members – across all of the departments, from on set to post-production, I met many people whose passion and ability was truly inspiring.” I would argue that the skills advancement that occurs through this type of ‘unofficial’ co-productions, and countless others, is immeasurable. Cope looks to the future with
unwavering optimism, arguing that there are now “are a lot of skilled crew in SA, and this is a great resource, waiting to be harnessed.” In terms of the service industry, “our crews are exceptional and good at what they do – we would hope the future is bright for this sector.” Lastly, when looking at the creation of local content that is both viable and relevant, he agrees wholeheartedly with Hermanus that the future “lies entirely in the hands of individual film makers – mavericks and people who are not afraid to ignore everyone else and create the content that they feel passionate about.”
6 CONCLUSION

6.1 Introduction- review of the study

This research addressed the central issue of analysing the local industry through the framework of Transnational Cinema, focusing on the films District 9, Spud and Skoonheid, and asking specifically how these films were made for both a local and international audience. The study began by investigating the historically poor box office performances of locally made films. The literature review showed that reasons for this perennial underperformance were rooted in historical imbalances and the hold that Hollywood has over the local distribution chain. The literature review looked at how the government has earmarked the film industry as one of significance to the growth of the country, both socially and politically, with support being offered in the form of the NFVF, IDC and DTI. However, it has it shown that while this is an important and much needed component in the development of a ‘national’ cinema, the industry is in desperate need of private equity to reach the maturity stage of self sufficiency. It is in this respect that the study repositioned the concept of Transnational Cinema to support an analysis of recent occurrences in the local industry.

Through the use of the three case studies, District 9, Spud and Skoonheid, the study limited its scope to specific stages of the filmmaking process; firstly it focused on how these films were funded, looking at the filmmakers’ views on both private and government funding, as well as co-productions. Secondly, the study looked at how the films were marketed, through a variety of techniques that aimed to either harness the power of the traditional distribution networks, or to break free of them. Lastly, because the candidates were chosen for their strong and candid views on the industry, their respective opinions of where we are headed thus included.

The empirical research component comprised the interviews conducted with the makers of the three films, as well as secondary material sourced from previous interviews they had given. Flick’s procedure of ‘thematic encoding’ was used to compare the different perspectives and derive at the above common themes, for purposes of comparison.
6.2 Reviewing the research question

In terms of the research question, *How has the concept of Transnational Cinema shaped the way these films have been produced?* the following conclusions and recommendations can be drawn from the study.

**Private funding**

The case studies have shown that, despite popular belief, there is money out there for the production of well made films with marketing potential to both local and international audiences. The funding can be sourced from a variety of places, including private equity, state support and international finance in the form of co-productions.

Private funding has been scarce due to the perennial poor performances of local films. In this regard, the opportunities afforded by co-productions, as in the case of *Skoonheid*, can prove to be hugely beneficial to sourcing finance for locally made films. However, evidence also emerges, both from the literature and the case studies, that far from being the silver bullet for the industry, this form of collaborative filmmaking can have negative effects on the content and production of the films.

Heatlie argues that in the past “producers have not constrained their budgets to what their market can support, and the costs of making films have not been recoupable” (Heatlie, 2011, p. 81). Similarly a case can be argued for those times when a film’s budget should not be constrained (as was the case with *Spud*) so that the film’s potential can be maximized. It is recommended that producers identify early on who their targeted audience will be and finance their film accordingly.

**Government funding**

The NFVF possesses neither the budget nor the clarity of vision to ensure the immediate sustainability of the industry. At best they are able to provide development funding at the early stages of script development, while it is suggested that they should focus their limited resources at market research and skills enhancement. All three participants agreed that the
DTI rebate scheme has been hugely influential, not only for their own films, but also for the survival of the industry.

Danie Bester, director of recent successful Afrikaans films such as Bakgat, Roepman and Ek joke net, goes so far as to say that “the DTI has literally saved the independent film industry,” raising a point not touched on in the scope of this thesis, but worth mentioning, which is that “the other great tragedy” in terms of funding, has been “the fiasco at the public broadcaster SABC,” which has stunted the growth of the local industry in far reaching ways (Schalkwyk, 2011).

It is recommended that government streamlines the organisations that currently deal with the film industry. Heatlie argues that “this would require a review of existing policy and mandates, and greater coordination around applications and criteria for funding” (Heatlie, 2011, p. 85). There seems to be too many independent filmmakers who are wary of the NFVF’s intentions, while the IDC has proven to be mainly supportive of large international productions and co-productions. Much praise is given to the DTI and long may they continue to assist the industry.

**Marketing and distribution**

Distribution remains largely in the hands of the “oligopoly of two companies, Ster-Kinekor and Nu-Metro,” with few signs that this is going to change anytime soon (Saks, 2010). The case studies, especially District 9 and Spud, show a rare understanding of how to utilise the strength of these companies, rather than surrender to it, by positioning their films to target the staple audiences of the distributors. Even Hermanus, who was outraged at the lack of interest shown towards his debut film, seems to have learnt something from that experience by teaming up with more mainstream marketers to tap into the Afrikaans market that frequents these cinemas. In this way, these filmmakers have begun to leverage the strength of these distribution houses.

The research showed that historically there has been what Heatlie calls “a prevailing lack of commitment to distributing and marketing local films.” In terms of marketing, the case studies shed light on the future of marketing practices, with films like District 9 using
groundbreaking ways to create publicity through viral marketing techniques. Similarly, the attention to detail and foresight of the makers of Spud in marketing their film is an aspect well worth taking note of by future South African filmmakers. In this regard, the early entry into discussion around content between the makers and the marketers of Spud is particularly eye catching. Local content will continue to have to fight for survival against the “constant supply of cheap foreign products,” and thus Hermanus’ call to create hype through marketing and to differentiate the offering is a worthy one (Heatlie, 2011, p. 83).

It is recommended that independent filmmakers employ the expertise of the likes of Helen Kuun, who has the experience of working for Ster-Kinekor, and is perhaps well placed to assist their films in leveraging off the distributions houses’ overwhelming influence over audience tastes.

**The future of the industry**

Signs are hugely encouraging that the industry is moving towards better things. The increase in local productions over the last two years, coupled with the success of films such as Spud, District 9 and Jock of the Bushveld (and the continued growth in the Afrikaans film industry) fills the respondents with collective hope for the future. There seems little argument in the industry that District 9 was both an inspiration to future filmmakers, as well as a fantastic marketing tool for the latent potential of the local industry to produce films of a world class standard.

District 9 has shown that South African stories can travel, while Spud has proven that private investors are willing to take a chance on a film that is based on a bestselling novel. In this regard, South Africa is in no short supply and it is encouraging to see that more and more books are slated to be turned into films: productions in development include an adaptation of Deon Meyer’s Cape Town based thrilled Thirteen Hours, Roger Smith’s thriller Wake up Dead, and the sci-fi film Zoo sci-fi novel Zoo City by Lauren Beukes, which recently won the prestigious Arthur C. Clarke Award in the United Kingdom. The hope is that South African investors will climb on board and not let another chance slip away, as was the case with District 9. In this sense the Transnational way in which world cinema is moving, and the growing image that South Africa has in the world, may be just the required push that the
local industry needs to be propelled into a thriving entity, worthy of the label ‘national cinema.’

6.3 Future research
There remains a need for continued research into a number of facets of the local industry, in what is still an under-researched field. Besides the aforementioned call for the NFVF and producers to conduct thorough resource on audience tastes and trends, this study has identified a number of other topics that may be worth exploring in the future.

The success story of the Nigerian film industry, known as Nollywood, was touched upon in the literature review, but in the end fell outside the scope of the study. Barrot’s book *Nollywood: The Video Phenomenon in Nigeria*, is an excellent resource and could be a good starting point for a case study on how the South African industry has begun to show signs of imitating this thriving example of African filmmaking and distribution. However, producer Danie Bester believes that one of the “tragedies for local producers” has been that more than 65% of local digital screens have recently been converted to 3D, meaning that “if one wants to release on cinema from now on and do not have print, you are dead in the water” (Schalkwyk, 2011). A study into how local filmmakers are combating this threat, if at all, could be very interesting.

A further topic worth investigating may be the reasons behind the continued success of the Afrikaans film industry. My supervisor, Ian-Malcolm Rijsdijk, has mentioned that he would love to see a research report on Leon Schuster, far and away the most prolific and successful filmmaker in South African film history. Hermanus’s argument that “everyone should just become Afrikaans” is obviously tongue in the cheek, but perhaps is evident of the fact that this is one area of the country’s filmmaking community that understands its market, and whose market in turn flocks to the cinema (Hermanus, The audience is down syndrome, 2011). An interesting development, and one that could be worthy of a future case study, is the film version of the Afrikaans legend *Racheltjie de Beer*, which is slated to be filmed in both Afrikaans and English, to cater for a local and international audience.

Lastly, this research report conducted case studies on a mere three of countless recent films. As the industry is expanding and continuously experimenting with new content, new funding options (such as product placement for example) and innovative marketing
techniques, further research in the form of case studies may add value to the growing literature on the industry and provide insight into the recent triumphs and failures.
BIBLIOGRAPHY


Hermanus, O. (2011, August 6). The audience is down syndrome. (R. Young, Interviewer)


63
Filmography


The gods must be crazy, 1981 dir. Jamie Uys.


Wah Wah, 2005. Dir. Richard E. Grant

Yesterday, 2004. Dir. Darrell Roodt
APPENDIX A- INTERVIEW WITH MICHAEL MURPHEY

Can you talk a bit about how the film was funded and what the conditions were?

D9 was independently funded by the US company, QED. QED, a company in the business of financing movies, had a relationship with Peter Jackson.

We had a short window of opportunity to bring SA financing to the table. When given the script about aliens in Jo’burg, rich South Africans quickly became disinterested.

While Sony was the distributor, the project was a “negative pickup”. Meaning they didn’t finance the movie as with most studio movies, but instead had a deal in place to distribute the movie and pay an advance to the QED for the privilege. And because they weren’t financing the movie, Sony had less say during the production than they would have it were one of their own.

What are your thoughts on international co-productions?

D9 was not a co-production.

Co-productions are difficult and complicated and heavy with legal effort and fees. They are wrapped up and constrained in the barbed-wire of SA politics. The SA NFVF, the entity that bestows co-production status on a production, is a highly political organization that is inclined to deny co-production status. Though the co-production treaties are robust documents drawn in the spirit promoting the cooperation in the filmmaking process between international producers and SA producers, the NFVF feels that the bar should be set high with regards to what can qualify as a co-production. They have their own set of guidelines apart from the treaty. This has been a contentious issue with SA filmmakers. It’s my opinion that the NFVF has a cynical agenda of forcing foreign producers to back away from co-productions with South Africa.

The SA DTI – the organization that funds the rebate – it a fantastic organization that works hard and productively to bringing business to South Africa.
What assistance, if any, did the film get from state institutions such as the NFVF and the DTI?

NFVF did nothing for D9.

The DTI paid us the rebate of 15% of QSAPE (qualifying South African production expenditure). Co-productions get a higher rebate (works out to about 27%). At the time both rebates were capped at R10,000,000.

After we appealed, the DTI even paid us a bit more than the amount we requested on our initial application. This is because we wound up shooting more footage in South Africa and spent more money than originally planned. We were going to shoot additional footage in New Zealand, but SA was a better option – financially and creatively.

Can you tell me a bit about how the film was distributed in SA? Your thoughts on Ster-Kinekor, Nu-Metro etc?

Sony distributed D9 world-wide and Ster-Kinekor is their SA partner. The local marketing campaign was handled by the Sony guys in the UK and in SA by Helen Kuun, formerly of Ster-Kinekor. They picked up on what had been started by Sony in the US. They did a brilliant job all around.

With the exception of Afrikaans films, South Africans tend to fold their arms and refuse to embrace SA made movies. The marketing pulled South Africans out of their houses and into the theatres. They enthusiastically embraced the movie as “proudly South African”, which they’ve not done since The Gods Must be Crazy.

Since D9, Helen Kuun has started her own distribution company, Indigenous Pictures. Her success with D9 and other films helped her credibility to accomplish such a thing.

What % of the budget was spent on marketing? I’m very interested in finding out as much as possible about D9’s unique marketing campaign.
As I recall, I think the amount Sony spent on distribution – which includes marketing (also prints, shipping, etc, etc) was around US$25mil. That’s my rough recollection.

The Sony marketing guys in LA were brilliant. Edgy, cool and daring. Like the movie. They got it.

**What are your thoughts on the future of the SA feature film industry?**

If you created a chart that tracked the progress of the SA film industry over the last fifteen years, you would see that it is only going upwards and upwards. Everything about the industry is becoming more sophisticated.

It’s important to note that there are two key sides to the SA film industry and they are often, wrongly, blurred together.

There is the “service industry” - the business of making other people’s movies and taking a fee for it. This isn’t producing. But it is a good training ground for SA filmmakers – creatively and technically.

Then there is SA’s own film industry. And this too is growing by leaps and bounds. South Africans are finally learning to tell their own stories rather than making bad and cheap imitations of American movies.

All aspects of an indigenous film industry are maturing. Financing is becoming more available as filmmakers are demonstrating that financing a small movie might, after all, be a better deal than flushing cash down a toilet.

Everything about the SA film industry is getting better. Incredible things are going to happen in next decade and I think it’s a fantastic time to be a SA filmmaker. D9 has been an inspiration to the next generation of filmmakers.

**Your personal experience of making the film?**

It was the most fun ever. Neill is a bona fide genius. Before D9, Jason Cope was my favourite SA actor (however I’m less enthusiastic now). And without Sharlto Copley, you would never have heard of District 9.
APPENDIX B- INTERVIEW WITH ROSS GARLAND

Can you talk a bit about how the film was funded and what the conditions were?

The bulk of the funding was private equity. As is standard, the private investors recoup (are repaid) in first position from revenues, and the profits are shared thereafter between the investors and key talent.

What are your thoughts on international co-productions?

International co-pros are an important source of funding for independent film. They work especially well in integrated and wealthy regions like Western Europe. They are harder for countries like South Africa to proactively use. They work better for incoming serviced productions, which are developed and owned elsewhere. The co-pro element helps the local and junior producing partner to secure the servicing deal. But it is more difficult to marry a locally generated film with a foreign co-pro partner. For one, we don’t have the same incentive to travel to find cheaper shooting locations. Also the key talent for locally developed films tends to be South African. This makes the spend and financing splits harder to fit into a co-pro model.

What assistance, if any, did you get from state institutions such as the NFVF and the DTI?

The NFVF gave us development and production funding as part of my slate with them. We used the DTI local film incentive which has been a major boon for local films.

Can you tell me a bit about how the film is distributed? Your thoughts on Ster-Kinekor, Nu-Metro etc?

Nu Metro Films distributed Spud in SA and Anglophone Africa. NM Films are one of the 3 major distributors locally. With the Harry Potter and Twilight franchises in their stable, Spud felt like a good fit as we share a core audience with these franchises. It helped to leverage NM Films’ marketing experience on those franchises. Local distributors are not content generators in SA, but they do have decades of distribution and marketing experience. So
they are key partners in the all-important cinema roll-out which remains at this stage the cornerstone of a distribution plan.

**What % of the budget was spent on marketing? Was it enough? What in your opinion could have been done to get more bums on seats?**

A limited portion of the production budget goes to marketing. We use a unit publicist who generates some PR during production, but mainly creates a record of interviews and copy to be used for the release. We create materials such as the poster, trailer, making of. But most of the marketing budget comes from the distributor’s budget - for 35 mm prints, copies of trailers and posters, and above the line campaigns especially television, outdoor and print. I don’t feel on Spud that we were undermarketed. The PR exposure was valued at over R 20 million and the marketing spend was at the level of Hollywood blockbusters. I don’t think we could have increased our admissions with any extra marketing spend or ideas. What has been shown recently in developed markets is that you do need a certain level of above the line spend for audiences to believe a film is legit. That is a challenge for local films trying to move up box office thresholds.

**Can you tell me more about how the film gets sold now, in terms of DVD sales and television rights?**

The local distributor for a territory generally takes all rights. So Nu Metro Films also deals with dvd rights, by selling on to dvd rental stores and to retailers (Musica etc). They also negotiate TV deals, which are based largely on what the film did at the box office.

**Congratulations on the international distribution deals for Spud. Can you tell me a bit more about that?**

There are up to about 40 to 60 buying countries in the world. But in reality that number is closer to 15 to 20, as most independent films that do sell internationally (and most don’t), sell certain regions as a bloc (eg Africa, Latin America, South-East Asia, Middle East). Spud has sold about a third of those territories to date. The first major releases will be in the
UK/Ireland (where Universal UK is the distributor) and Australia/New Zealand (Pinnacle is the distributor) in early 2012.

It will also release in Scandinavia, Benelux, Turkey and the Middle East. Depending on how those initial releases go, we would plan to sell the balance of remaining territories during 2012.

The film has already released in various English-speaking territories in East and West Africa, and screened on SAA international flights.

**What are your thoughts on the future of the SA feature film industry?**

The industry is in a growth phase - from making a few films a year 5 to 7 years ago, to about 25 films for 2010 and 2011. Some of this has been driven by government involvement such as NFVF and DTI, but most of the films have been made with a significant portion of private capital. This is encouraging from a sustainability point of view.
APPENDIX C- INTERVIEW WITH OLIVER HERMANUS

Can you talk a bit about how the film was funded and what the conditions were?

The film was funded by two companies, one in France and one in SA and the DTI rebate scheme. There were no real conditions other than the spend split between the two countries 20% France, 80% SA.

What are your thoughts on international co-productions?

I think that they are a bit of a ball ache for producers as there is so much red tape that goes into using them. There is often little guarantee that both cultural ministries will approve your film and it can be a very stressful process, but if you have good lawyers, patient producers who have the necessary contacts in their respective countries then it’s a great thing. At the end of the day, if you are an SA filmmaker like me, who makes a certain kind of film, you need that foreign investment as my work would never be funded by the SA funding bodies, its too ‘artistic’. So my career is pretty much a testament to the value of those treaties.

What assistance, if any, did you get from state institutions such as the NFVF and the DTI?

We had no relationship with the NFVF. They are, at the moment, not able to let filmmakers do their job and I have constantly criticised them for keeping people in positions of power for too long and harbouring too many frustrated filmmakers who try to hijack and indoctrinate the work of young creatives. Essentially rendering everything they get involved in below international standards of cinema.

The DTI were involved, they approved our rebate application. They are amazing to work with. They are unemotional, they don’t get involved creatively, they simply support the fact that when I make a film, I bring millions of rands into the country and create jobs in the industry and they support that. Their scheme is essential in attracting international investors and producers to make films in South Africa.
What are your thoughts on the future of the SA feature film industry?

It has many faces and many different ambitions. As a whole I think we will see more local products each year as our local audience becomes more and more responsive and supportive of a local product. This does mean that we may start finally developing a more distinctive aesthetic, but we could also burst our own bubble if filmmakers don’t start to push the audience to engage in various kinds of local stories. We are still imitating international products. I would like to predict a stronger local voice, but that is yet to be seen.

Can you tell me a bit about how the film is distributed? Your thoughts on Ster-Kinekor, Nu-Metro etc?

We started our own distribution company for this film. After my experiences on my last film I vowed to never put my work in the hands of a lazy distributor again. They are old fashioned, think in very conservative terms and are slow on the uptake of a new SA film audience. The most fashionable thing to do in this business at the moment is start a distribution company because there is so much lacking. I don’t think that the big distribution companies are totally invested in local cinema. It’s a business, so until we become important to business, we won’t be taken seriously, but by the time we are a valuable commodity we will most likely be self distributing.

What % of the budget was spent on marketing? Was it enough? What in your opinion could have been done to get more bums on seats?

I don’t think more could have been do for this film in SA. We had a very high age restriction, the highest you can get, so considering that, we are very happy, as the mass cinema audience is below the age of 18. SA was the first theatrical release of the film, the marketing strategy here was focussed on it being a quality SA film with international recognition and people did respond to that.
Can you tell me more about how the film gets sold now, in terms of DVD sales and television rights?

TV deals are now underway. As the film is sold in 15 territories it means that DVD and TV releases have to be negotiated as to prevent it damaging the theatrical release in other countries. As the film only comes out in the US and UK early next year, we will only release the dvd in SA in March 2012.

What’s next for you?

I am currently working on my next film. It’s a political thriller set against the backdrop of the 4 Biblical Gospels. Sigh.
APPENDIX D - INTERVIEW WITH JASON COPE

What are your thoughts on the future of the SA feature film industry?
In terms of local content, I think the future of the film industry here lies entirely in the hands of individual film makers – mavericks and people who are not afraid to ignore everyone else and create the content that they feel passionate about. It's always going to be difficult – the tiny number of cinemas we have, the limited distribution means that film-makers here are always going to struggle with the numbers. At the same time, the under-developed nature of the industry means that there is also a lot of opportunity. In terms of our service industry, our crews are exceptional and good at what they do – we would hope the future is bright for this sector. There are a lot of skilled crew in SA, and this is a great resource, waiting to be harnessed.

Your personal experience of making the film?
I loved it, it was many childhood dreams come true. More than anything, I appreciated the raw creativity that Neill unleashed when he made the film – he has a restless, seeking nature when it comes to ideas, he turns things over and looks at them again and again, always re-aligning the whole as he goes. Working with Neill and Sharlto felt comfortable, I appreciate them as creatives and we all we work well in certain pressurized environments. I've worked with Sharlto for years in a production environment, and we were suddenly pushed into being co-stars in a feature - it was bizarre, but years of having been in the trenches meant that we managed to adapt quickly and work effectively together. It was also an absolute privilege for me to meet and work with so many talented and professional crew members – across all of the departments, from on set to post-production, I met many people whose passion and ability was truly inspiring. As an actor, playing over 20 characters in a story was also very satisfying. Watching the final product and seeing years of one’s life up there on the screen, seeing and remembering all of the effort, the days and nights of non-stop effort on the part of so many, was truly overwhelming. Also, for that brief, fantastic few weeks, we were the number one film in the world – and that too was magical.