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## The Long Tail of the Video Store

Frederick Wasser

In 2010, it is remarkable that video rental stores still survive. Of course, their collective vibrancy is not much stronger than the art house movie theater that these stores did so much to undermine. In their heyday people speculated that the stores had become the new art houses, but even then, other people speculated that they would not last and today it seems that they will not last much longer. The recent academic writing about the video rental store has the air of a post mortem, with an intuition that there is a legacy, a change for which the video store was responsible. It is now being cast as the forerunner of Netflix and TiVo and other distribution systems that utilize the Internet. It is also valorized as one of the enabling apparatuses for the new model of cultural distribution that Chris Anderson has popularized as the “long tail” of marketing. But younger scholars are wary of this recent media historicizing; we may be falling into a teleological fallacy by praising the video store for subsequent developments for which it is not responsible.<sup>1</sup>

Historicizing is, however, the motivation of this essay. I am interested in the video store as a chapter in the recent political economy of the filmed entertainment industries. Much of the literature about video and DVD is motivated and informed by studies of fandom and actual practices of viewers. This is somewhat different in emphasis from my industry perspective. Of

course both media industry and fan/audience scholars are concerned about the possibilities of genuine personal autonomy and democratic participation in societies dominated by mass media. Many fan scholars reject the seminal thesis of Theodor Adorno and Max Horkheimer describing culture industries duping people into accepting mainstream conformist messages.<sup>2</sup> Instead, their studies identify and celebrate the practices of individuals who use mass media for self-expression in contrast to the dominant messages perpetuated by film studios and TV networks. This general kind of study is currently championed by Henry Jenkins, while Joshua Greenberg specifically documents the resistance to Hollywood by early video recorder users.<sup>3</sup>

There was emancipatory potential in the emergence of video rental stores. Video stores took the established players such as the film distributors and wholesalers concerned with shaping the home video market into an entirely unanticipated direction. Its rise was a classic example of the “consumption junction,” a space where consumers, manufacturers, marketers and other social forces finally determine the significance of a new technological apparatus, often without much conscious intention.<sup>4</sup> While a few movie studios did participate in the development of a home video machine,<sup>5</sup> by and large the success of using the machine to rent video came as a surprise to Hollywood. This success has been documented, but its significance for liberation of the audience is debatable. I am skeptical of claims for autonomous audience behavior and see no evidence that corporate power is shifting in response to rental.

I would like to review briefly the history to show that, after a period of scrambling, the studios did manage to control the radical potential of video rental and the behavior of individual viewers continued to favor mainstream films despite the increase of choice. There is one aspect which bears investigation as the enduring legacy of video rental and I will conclude with a brief look at the new aesthetic of filmmakers.

The American film industry energetically and immediately tried to shape the functions of the VCR when MCA/Universal and Disney sued Sony’s Betamax in 1976 for contributing to copyright infringement. The damage they were claiming was somewhat obscure since the Betamax was being marketed for recording from the television and the economics of American television did not involve direct consumer payment to film producers. The lawsuit was

eventually defeated by a US Supreme Court decision in 1984. While it did not concern video rentals, it nonetheless created an atmosphere of Hollywood hesitancy. In 1977, Twentieth Century Fox was the first major studio to agree to release films on video, with some titles that were at least five years old. Andre Blay was the outside manufacturer who got Twentieth Century Fox to release the films. His business model was based on the precedent of film collectors in the 16mm and 35mm print market, and he set the price high.

The high price might have killed the market, since few viewers were willing to pay seventy dollars on a cassette at a time when a theater ticket cost less than \$2.50. Coincidentally, an infrastructure for exchanging video tapes had been created by viewers of pornographic tapes. Several entrepreneurs claimed the idea of moving from club and mail exchanges to opening store fronts where people could “borrow” tapes for a fee.<sup>6</sup> These fees were only slightly higher than movie tickets and people enjoyed the convenience of renting a tape to watch at home at a time that fit their schedule. The few attempts of Hollywood studios to set up rental facilities actually fizzled while these “mom-and-pop” rental stores started to mushroom. Film studios were caught flat footed and tried to control rental of pre-recorded tapes by either stopping the practice through legal intimidation or by demanding profit participation through a licensing scheme where the studio would get fifty percent or more on each rental. The legal tactics were not supported by copyright law and video stores found that the rates for profit participation were too high. Mom and Pop ignored the studios and built their inventories by buying video cassettes outright. By 1980, the various studios discovered that video revenues from these store purchases were a nice revenue stream that did not harm their other markets, and by the mid-1980s their accountants realized that video purchase money was contributing as much as the traditional theatrical revenues to the American film industry. Video stores were now a valued member of film’s infrastructure.

Video stores’ “consumption junction” moment can be romanticized as something outside the institutions of mass media, and as a forerunner of the enhanced powers that the Internet has given to the consumer. Anderson says as much when he writes, “what the VCR and the video rental store hinted at was the rise of the age of infinite choice.”<sup>7</sup> But is it truly part of the long tail story of infinite choice? Let us look at his model and decide. Anderson defines the long tail market in opposition to the blockbuster market. The blockbuster

market operates on the 80/20 rule, which states that 20 percent of the product will contribute 80 percent of the revenue in a given market such as one for films.<sup>8</sup> Executives operate on the presumption that their big hits (the 20 percent) have to pay off the money lost by the inevitable disappointments and flops. In Hollywood, the successful blockbuster film receives a disproportionate share of production support and advertising in hopes of making good on the losses of the other films. If a film fails to demonstrate audience support, it is dumped quickly in order to shift marketing resources. In contrast, the long tail model assumes the viability of modest and even obscure titles. This can be seen most clearly in recent online music sales where obscure songs attract the occasional buy so that in aggregate the less popular songs actually return as much money to the site operator as the top ten hits, although far less per title.

The premise is that consumers will support choice, even in the film industry. Today's movie complexes can only offer about a dozen titles per week. The video stores quickly developed inventories where the customer had access to four thousand cassettes.<sup>9</sup> This was exactly the advantage that the video store offered over the movie theater. It offered choice, and, in the early days of video rental, stores prided themselves on providing as much choice as possible.

But the maturing of the video store centered on the very question of whether shelf space should be devoted to more titles or more copies of the most popular titles. It was the major film studios that pressured the wholesalers to stock more in depth (more copies) rather than in breadth (more titles).<sup>10</sup> Thus the possibilities of the long tail became restricted except in specialty video stores in big cities such as *Vidiots* in Los Angeles and *Kim's* in New York. The consolidation of video stores into large national chains such as Blockbuster did influence smaller stores to find niche titles, particularly in erotica and pornography, which Blockbuster refused to handle.

We cannot, however, separate choice from the other great advantage which the video store offered: convenience. There was no set appointment time to pick up or drop off videos. The customer was in full control of when and how to watch the film. Convenience inspired yet even more hostility from filmmakers. Steven Spielberg notoriously resented that the years of his life devoted to making a film could be contained within a little small box. Jeffrey

Katzenberg worried that video cheapened the filmic experience. Yet this convenience appeared to drive the customers; overwhelmingly, they rented the same blockbusters that they could see in the theaters. There were some slight discrepancies. For instance, children's titles dominated in 1980s video charts before the resurgence of animated features resulted in their domination of the 1990s box office. Low-budget erotic thrillers could cobble together support from the combination of cable and video financing. These are small exceptions to the rule that the same big films dominated both the theaters and the rental stores. Through the 1980s, the long tail of video rental was not long enough to support film productions that ignored the mainstream audience.

Institutional analysis shows that there was a fundamental continuation of established patterns. Video rental did not support independence. The great heyday of independence was in the 1960s when theaters would show anything to fill their screens, because mainstream production had been cut back. But this industry opportunity coincided with a cultural movement. The political divisions of that time had become generational and cultural splits and separate audiences were motivated to seek films reflecting their own concerns. Youthful audiences found foreign films more relevant to their own explorations of adult themes and political alternatives. Several "New" Hollywood films such as *Bonnie and Clyde* (dir. Arthur Penn, 1967) and *Midnight Cowboy* (dir. John Schlesinger, 1969) found large audiences willing to identify with a new kind of protagonist. This independent surge of foreign films and New Hollywood faded in the 1970s as a sense of political division receded and the new "hip" blockbusters from Spielberg and George Lucas reunited audiences.

But we will not find any comparable shift in film culture with video rental. There were still a few independents as video became a market and they were emboldened to increase production by the prospect of video revenues. These productions briefly rose in 1982 but then fell off again through the rest of the decade. By the early 1990s, most independent studios had folded or been incorporated into the major media conglomerates. In the mid-1990s commentators again identified a rise in the vitality of independent productions, but there were no new independent companies. Artisan was one survivor of an earlier video distributor that continued to operate as a true independent distributor. Mostly, by this time, independence was a function of

specialty divisions within major studios such as Fox Searchlight (News Corporation) or Miramax (The Walt Disney Company), and not entirely stand-alone companies. While the films these divisions released can be interpreted as a rise in independence, it does not match the high water mark of the 1960s. For all the money the video store was contributing to Hollywood, it was not responsible for an expanded market. It seemed that the same studios had merely added another venue. The audience did not use rentals to express a strong desire for independent choice and the expansion of the film form. In short, video rental did not uncover a large audience who were willing to support alternative moviemaking.

Yet such a conclusion is an ungenerous interpretation of the video store's legacy. There is one more perspective from which to look at the consumption junction of film and video, which after all involves both hardware and software. Anderson jumps from one art form to another as he discusses the long tail. The blockbuster metaphor is taken from film; the long tail from music. He and others are talking about audiences, but I want to end with the thought that the more evident influence of the rental market was on filmmakers. Other critics have worked with the idea that the post-rental movie directors work more like musicians than classic filmmakers. The most recent filmmakers combine the "in-yer-face" MTV editing style with the do-it-yourself energy of punk rock. This is explored at length in an anthology entitled *New Punk Cinema*, edited by Nicholas Rombes.<sup>11</sup>

It is beyond the scope of this essay to argue in detail about the new cinema. As is often the case, any specific statement can be challenged, even the one that do-it-yourself is something new when in fact it goes back to neo-realism and earlier. But there is a willingness to go back and forth in time and to invite open readings from the audience. There is something about the visual style of the films of Quentin Tarantino, Mick Figgis, David Fincher, the Dogme group, and others that reject the classic presentation of the movie theater in favor of the jumble of films one rents all at one time from the video store. There are several concurrent anti-linear styles that have emerged at once and the critical work is trying to identify these various styles. But it is true that this kind of pastiche cinema is a post-video-store phenomena. The earlier mix of television and film preceded a certain blending of genre in the Spielberg and Lucas generation. But these filmmakers had a strong commitment to the story with the closed if not happy ending. It perhaps

would be worthwhile to think further about a new generation that favors the open ending or a relatively weak narrative structure simply because of the rental experience. That is the stronger clue to the influence of video rental stores than new structures, marketing, or audience behavior.

## Notes

- 1 Lisa Gitelman, "Introduction," in *Always Already New: Media, History and the Data of Culture* (Cambridge, MA: The MIT Press, 2008), 1-22.
- 2 Theodor Adorno and Max Horkheimer, "The Culture Industry: Enlightenment as Mass Deception," in *Dialectic of Enlightenment*, trans. Edmund Jephcott (Stanford, CA: Stanford University Press, 2002), 94-136.
- 3 Joshua M. Greenberg, *From Betamax to Blockbuster: Video Stores and the Invention of Movies on Video* (Cambridge, MA: The MIT Press, 2008).
- 4 Greenberg borrows the term "consumption junction" from Ruth Schwartz Cowan to characterize the rise of video. Greenberg, 63, 97.
- 5 CBS developed and then abandoned the EVR in 1972. Avco was a partner in Cartrivision, which also was abandoned in 1972. Through the seventies, MCA made a more substantial investment in the Laserdisc and eventually sold its investment to Pioneer of Japan in 1982. Frederick Wasser, *Veni, Vidi, Video: The Hollywood Empire and the VCR* (Austin: University of Texas Press, 2001), 60-65.
- 6 James Lardner, *Fast Forward: Hollywood, the Japanese and the Onslaught of the VCR* (New York: W.W. Norton and Company, 1987); and Douglas Gomery, *Shared Pleasures: A History of Movie Presentation in the United States* (Madison: University of Wisconsin Press, 1992). Lardner and Gomery cite George Atkinson and Erol Oranan, respectively. Others are cited in other histories.
- 7 Chris Anderson, *The Long Tail: Why the Future of Business is Selling Less of More* (New York: Hyperion, 2006), 200.
- 8 *Ibid.*, 7.
- 9 This was a typical number of titles for a large video store before Blockbuster doubled both the floor space and titles available in the mid-1980s.
- 10 *Video Week*, February 20, 1989, 1.
- 11 Nicholas Rombes, ed., *New Punk Cinema* (Edinburgh: Edinburgh University Press, 2005).



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