Interactive Influence of Genre Familiarity, Star Power, and Critics’ Reviews in the Cultural Goods Industry: The Case of Motion Pictures

Kalpesh Kaushik Desai
University at Buffalo

Suman Basuroy
University at Buffalo

ABSTRACT

Academic research pertaining to the marketing of cultural products such as Broadway shows, books, music, and movies has identified a product’s genre (or type), star power, and critics’ reviews as important factors influencing the market performance of an individual product. Prior research, however, has not investigated the joint influences of these factors. The current study extends previous research by empirically investigating the managerially relevant interactive influences of these factors within the context of the motion-picture industry. For example, should producers of more familiar genre movies, such as dramas and comedies, feature popular, but expensive, stars? Real-world data from two distinct time periods are used to test the hypotheses. The findings are consistent across the two time periods and reveal that for more familiar genre movies, star power and the valence of critics’ reviews have less impact on the movie’s performance in the market. In contrast, for the less familiar genre movies, stronger (vs. weaker) star power and more (vs. less) positive reviews have positive influence on the market performance. Further, for movies with less star power, the valence of critics’ reviews has no impact on the performance. In contrast, for movies with greater star
In recent years, spending in the entertainment and cultural-goods industries—Broadway shows and theaters, recorded music, book publishing, and movies—has been increasing. Each year, approximately half a trillion dollars is spent on various forms of entertainment globally, and more than $200 billion of that total is spent in the United States (Vogel, 2001).

Correspondingly, marketing and economic scholars have started paying increasing attention to the many facets of these industries—Broadway shows and theaters (Caves, 2000; Holak, Havlena, & Kennedy, 1986; Reddy, Swaminathan, & Motley, 1998; Vogel, 2001), recorded music (Caves, 2000; Moe & Fader, 2001; Vogel, 2001), book publishing (Caves, 2000; Greco, 1997; Vogel, 2001), and movies (Elberse & Eliashberg, 2003; Eliashberg & Shugan, 1997; Garlin & McGuiggan, 2002; Krider & Weinberg, 1998; Lehmann & Weinberg, 2000; Vogel, 2001). Each year, approximately half a trillion dollars is spent globally on various forms of entertainment, and more than $200 billion of that total is spent in the United States (Vogel, 2001).

Prior academic research on factors that influence market performance of individual products in these cultural-goods industries has investigated, among other issues, the individual effects of different factors such as genre (or product type), star power, and the valence of critics’ reviews. For example, Reddy, Swaminathan, & Motley (1998) examined the importance of the role of critics and critical reviews, genre, and star talent in the success of Broadway shows. Similar issues have been examined in the recorded-music industry (Caves, 2000; Chung & Cox 1994), book-publishing industry (Caves, 2000; Greco, 1997), and movie industry (Austin & Gordon, 1987; De Silva, 1998; DeVany & Walls, 1999; Eliashberg & Shugan, 1997; Linton & Petrovich, 1988; Litman & Ahn, 1998; Ravid, 1999). However, little research has been conducted on the joint influences of these factors, which are not very obvious. For example, although Broadway shows with greater star power (or with more positive reviews) should perform better than those with weaker star power (or less positive reviews), it is less obvious whether the positive valence of critics’ reviews would have the same beneficial effect (if any at all) on shows with less versus more star power or on shows that are of more versus less familiar genres. Similarly, it is not clear whether more stars help (or hurt) the performance of a more versus less familiar genre Broadway show.

The managerial relevance of these interactive influences can be demonstrated more appropriately within the context of the motion-picture industry because consumers are likely to have greater familiarity with it than, say, with Broadway shows. In producing a movie, studios face a myriad of decisions, an important one of which is to select the genre, or
story type, of the movie (Austin & Gordon, 1987). For example, Orwell (2002) reported Disney’s dilemma in producing *Alamo*—whether to position it as a less graphic historical movie that the whole family can enjoy or as an action film that accurately documents the bloody siege.

Prior research suggests that movie genre is the most important factor consumers consider in deciding whether to watch a specific film (Austin & Gordon, 1987; De Silva, 1998) and thus has obvious implications for the likely success of a movie at the box office. More importantly, studios are interested in finding out if the decision to produce a movie in a specific genre has an influence on the extent of star power to feature in that movie. For example, producing a movie in a genre that is more familiar and popular (e.g., dramas or comedies) may possibly provide studios with greater flexibility to feature stars that are not the best, and thus not the most expensive. Consequently, the movie should have lower costs and increased profits. On the other hand, viewers might reject the movie because it features less-attractive stars. This is a pertinent issue because salaries of stars and other production costs have been steadily escalating (King, 2001; Lippman, 2002). The recent performance of dramas like *Memento* and comedies like *My Big Fat Greek Wedding*, which did not feature any major stars and yet were very successful at the box office, seem to lend support to the former scenario. Similarly, it is unclear whether featuring more attractive stars generally guarantees the success of a movie, because critics’ possible negative reviews might mitigate the influence of star power on box office performance. In the latter scenario, studios might try “managing” the review process, as discussed in Eliashberg and Shugan (1997). Finally, because negative reviews hurt box office performance (Basuroy, Chatterjee, & Ravid, 2003; Eliashberg & Shugan, 1997), studios may choose to opt for more familiar genre movies to make box office performance immune from critical reviews. The importance of these managerial implications is obvious and cannot be overstated.

This study extends prior research by investigating the joint influences of genre familiarity, valence of critics’ reviews, and magnitude of star power on the market performance of motion pictures. Even though these questions are equally relevant for other cultural products, this study focuses on the U.S. motion picture industry because it is one of the most visible and critical industries in terms of economic and cultural contributions. Its direct and indirect impacts on the economy of the state of California alone are estimated to be around $27.5 billion (www.mpaa.org). The number of films released in the United States in 2001 was 482, and the gross box office revenue reached an all-time high of $8.4 billion, an increase of 9.8% from the previous year. These numbers translate to 1.49 billion viewers (Lippman, 2002).

This article is organized as follows. Conceptual background and hypotheses are presented first followed by a section on the method. Next, results are presented, and finally the implications, limitations, and future research are discussed.
CONCEPTUAL BACKGROUND

Genre Familiarity

Genre, a French word, denotes types or classes of subproducts within a given literary product (Abrams, 1999) and has become a defining element in the production and distribution strategies of movies (and other cultural products). Surprisingly, very little research on film genres (e.g., thriller, comedy, or drama) has been conducted in marketing, and the limited research that exists has treated genre only as a control variable (e.g., Neelamegham & Chintagunta, 1999). In contrast, research studies in communication and media (Austin & Gordon, 1987) have not only classified movies in different genres but have also shown that consumers use genre labels as a handy, convenient, and easy method for categorizing movie stories and distinguishing among story types. Genre labeling may serve also to further clarify or elaborate on the film story (Austin & Gordon, 1987). People attending movies bring with them various expectations, including certain attributes associated with the genre of a film. These expectations may in turn create genre preferences among consumers and affect movie choices (Austin & Gordon, 1987).

According to prior research, consumers rate a movie’s genre as the most important, and probably the first, factor they consider in deciding to see specific movies (Austin & Gordon, 1987; De Silva, 1998). The above arguments presume that consumers should have stored some information about movies specific to different genres in their memory. The literature on product familiarity in general, and on product satisfaction in particular, suggests that special characteristics of the movie product market (vs. other product markets) make it very likely that consumers store movie information (e.g., expectations, attitude) at the aggregate level of genres, as opposed to at the specific level of individual movies (Cadotte, Woodruff, & Jenkins, 1987; Woodruff, Cadotte, & Jenkins, 1983). This phenomenon occurs mainly when product types (e.g., thrillers) within a product class (e.g., movies) have several versus few brands (e.g., individual movies), and the consumers have had experience with many of them, but no one brand stands out as the desired reference brand. This is probably because consumers do not have extensive experience with any one of them, because it is not possible in such product markets. Consequently, it becomes important to examine the influence of this “aggregate” variable on the market performance of individual movies that it subsumes.

However, the extent of information that consumers may have about this aggregate variable may vary from one genre to another. Prior research suggests that movie genres, similar to genres in other cultural products, vary in their popularity or appeal to consumers (Dominick, 1987; Litman & Ahn, 1998). Specifically, for years drama and comedy genres have been more popular with viewers than have the genres of art, sci-fi, for-
eign, and action (Dominick, 1987; Sochay, 1994). The combined market share of these two genres has increased from 46% in 1979–1983 to 63% in 1994–1998 and has spiked up to 67% in 1999 (Dominick, 1987). Consequently, an average moviegoer is likely to have seen more movies of (and thus be more familiar with movies of) these two genres than of, say, foreign and sci-fi genres. Thus, consumers are likely to have stored more information about familiar genre movies in their memories than about less familiar genre movies, which may impact how much they are willing to rely on other information (e.g., critics’ reviews, star power) to make their movie viewing decisions. Greater (lower) reliance on other information will make the box office performance of movies in less familiar genres more dependent upon (independent of) the valence of critics’ reviews and magnitude of star power employed by the movie.

**Star Power**

Some of the prior research on movies has treated stars as high-equity brands that enjoy name recognition, positive image, and an association with particular types of movies (Levin, Levin, & Heath, 1997). Research on brand equity (Aaker & Keller, 1990; Park, Milberg, & Lawson, 1991) has shown that consumers favorably evaluate extensions of reputed brands in categories that are similar to the parent category(ies). Analogously, featuring highly popular star(s) in a movie is likely to make consumers expect a highly entertaining (or high-quality) film, as long as the movie is of a genre(s) with which the star is typically associated. Consistent with this argument, Levin et al. (1997) showed in an experiment that an unknown movie was more attractive when associated with well-known stars than with less-known stars. They argue that familiar stars provide moviegoers with a heuristic device for making the decision to see a new movie (without needing much additional information).

On the basis of this concept of stars as brands with strong equity, the motion picture industry seems to favor films with stars, and in Hollywood it is almost axiomatic to say that stars are key to a film’s success. However, empirical results of the influence of star power on box office performance are conflicting. Studies by Litman and Kohl (1989) and Sochay (1994) found that the presence of stars in the cast had a significant effect on film revenues. Similarly, Wallace, Seigerman, and Holbrook (1993) concluded that “certain movie stars do make demonstrable difference to the market success of the films in which they appear.” In contrast, with a sample of 155 films released between 1972 and 1979, Litman (1983) found no significant relationship between star power and market performance. The lack of a star-power effect has been documented in later studies as well (DeVany & Walls, 1999; Litman & Ahn, 1998; Ravid, 1999). Mixed results about the impact of stars on movie performance are possible, because prior research has not examined the variables that moderate the “brand equity” influence of star power. The current study fills
this gap by investigating the moderating role of two variables—genre familiarity and the valence of critics’ reviews on the influence of star power.

Critics’ Reviews

Movies are experience products, and consumers find it difficult to judge their preconsumption quality (Holbrook & Hirschman, 1982; West & Broniarczyk, 1998). To help them decide whether to see a particular new movie, consumers often rely on information provided by friends, critics’ reviews, and the ads in mass media. “Hard” data about the influence of friends is difficult to obtain, and the only information available about advertising is the dollar amount spent by studios, which is of limited use. Consequently, it was decided to focus on the influence of critics’ reviews. According to Eliashberg and Shugan (1997), critics could play two possible roles: as influencers, influencing the viewing decisions of the consumers in the early weeks of a film’s release, and as predictors, predicting whether or not viewers will like the movie. In their research, Eliashberg and Shugan (1997) found that critics correctly predicted box office performance but did not influence it. However, critics’ opinions are likely to be especially important for experience products such as movies (Nelson, 1970) because they offer indirect experience on sensory aspects (e.g., the quality of acting and music) not conveyed by tangible attributes (e.g., the actors and the music director). Results of a survey found that more than a third of Americans seek the advice of critics when selecting a movie (Simmons, 1994). West and Broniarczyk (1998) argued that the influence of critics on consumer judgments is substantial because critics’ access to product previews typically makes them one of the first links in the diffusion of information about new products, and their professional status lends them credibility. Moreover, Levin, Levin, and Heath (1997) argued that consumers perceive critics as credible communicators because of their expertise and lack of vested interest in the product. All of the above research suggests that the box office performance of movies is influenced by the valence of critics’ reviews (D’Astous & Touil, 1999). Can marketers attenuate the impact of negative reviews? In other words, are there any variables that can moderate the impact of critics’ reviews? This research fills that gap by examining whether critical reviews will have a similar impact on movies of more versus less familiar genres and on films with more versus less star power.

Next, three two-way interaction hypotheses are proposed, and a discussion supporting each of them is presented. Because the arguments underlying the Genre Familiarity × Star Power and Genre Familiarity × Valence of Critics’ Review interactions are the same, a combined discussion of these two hypotheses is proposed. This discussion is followed by a discussion about the Star Power × Valence of Critics’ Reviews interaction.
HYPOTHESES

In deciding whether to watch a specific movie, consumers try to estimate the magnitude of enjoyment they are likely to obtain from watching that movie. The greater the expected enjoyment, the greater is the likelihood of watching that specific movie (Eliashberg & Sawhney, 1994). One of the most important factors to be considered in estimating a movie’s enjoyment value is its genre (Austin & Gordon, 1987)—there is a greater probability of watching a movie if one likes (vs. dislikes) its genre. However, the like or dislike for specific genres presumes that consumers are somewhat familiar with them and have stored information about them (as discussed above) in their memory. This familiarity is likely to have been developed by seeing many movies of those genres.

Consumers are likely to have clear expectations about movies in familiar genres because past product performance information provides a basis for one’s expectations and attitudes (Bettman, 1979; Howard, 1977, 1989; Katona, 1975). These expectations may involve few specifics, but instead provide the consumer with a general contour of the key elements of a movie (e.g., direction, pace, level of acting). As experience continues to grow and substantial past performance information accumulates, more product-specific expectations develop and expectations should increase in both accuracy and confidence. With extensive experience, expectations should become strong, stable, and generally consistent with a product’s perceived performance. At some point, expectations and performance perceptions may become indistinguishable (Howard, 1977, 1989). Consequently, reliance on other factors, such as star power and critics’ reviews, to judge the quality of a more familiar genre movie and to decide whether to view that movie will be dramatically reduced, if not completely eliminated (Johnson, 1998).

This conclusion is consistent with research in product class knowledge that has found a negative relationship between the amount of product experience (or knowledge) and the amount of external search (Moore & Lehmann, 1980; Punj & Staelin, 1983). Experienced consumers have prior knowledge about the attributes of various alternatives, and consequently do not need to acquire such information from external search. Similarly, in discussing the role of buyer confidence in the determination of search behavior, Howard and Sheth (1969) and others (Bennette & Harrell, 1975) concluded that belief in one’s ability to make accurate judgments about products and product attributes will be related inversely to external search. Because that confidence will be high for more familiar genre movies due to enhanced familiarity, consumers will be less inclined to search externally for more information about such movies (e.g., the stars associated with the movie and critics’ reviews about the movie). Please note that this discussion implies only that the market performance of more familiar genre movies will be relatively independent of the valence of critics’ reviews or the magnitude of star power. It does
not suggest anything about whether market performance of such movies will be weak or strong.

In contrast, product expectations are likely to be relatively weak for unfamiliar genre movies, because customers have had no (or very little) prior viewing experience, and thus past product performance information is not available in their memory (Alba & Hutchinson, 1987; Johnson, 1998). Consequently, consumer’s reliance on other information, such as star power and reviews, will be enhanced, and therefore the box office performance will correspond to the magnitude of star power and the valence of critics’ reviews. That is, the greater the star power and the more positive the critics’ reviews, the better the market performance of the movie will be. Thus, the first two hypotheses are as follows.

**H1:** The impact of star power on the market performance of movies is positive and stronger in the case of less familiar genre movies than in the case of more familiar genre movies.

**H2:** The impact of the valence of critics’ reviews on the market performance of movies is positive and stronger in the case of less familiar genre movies than in the case of more familiar genre movies.

The above discussion suggests that consumers’ reliance on star power and critics’ reviews would vary depending upon genre familiarity. However, when consumers do decide to use information about a movie’s star power and the valence of critics’ reviews, it would be interesting to examine how the interaction effect of these two variables influence a movie’s performance in the market. That is, would more versus less positive reviews differentially influence the performance of movies that feature strong versus weak star power?1 In Levin, Levin, and Heath (1997), the valence of critics’ reviews had no effect on movies featuring well-known stars, whereas for movies with weak stars, positive (negative) reviews benefited (hurt) the movie evaluations. The authors attributed their results to the heuristic value of star power, which is consistent with prior research findings of reduced influence of other sources of information on a consumer’s behavior when he or she relies on a well-established brand name (Aaker & Keller, 1990). Further, Levin et al. (1997) replicated this finding in another experiential product category—novels. Based on these arguments, it is hypothesized:

**H3:** The impact of the valence of critics’ reviews on the market performance of movies is positive and stronger in the case of movies with weaker star power than in the case of movies with stronger star power.

---

1 Basuroy, Chatterjee, and Ravid (2003) also investigate joint influence of star power and critics’ reviews on box-office receipts but with a different focus. Specifically, they examine if star power can mitigate the possible negative fallout of adverse reviews from movie critics. In contrast, this research examines whether critics’ reviews distinctly impact movies with strong vs. weak star power.
**METHOD**

**Data**

Two separate data sets were used for empirical analysis. The first sample consisted of 175 movies released from October 1991 through April 1993, and the second consisted of 100 movies released from December 1999 through September 2000. Testing hypotheses using data sets from two distinct time periods would help establish whether the findings of this study are robust. The first data set was chosen on the basis of random sampling of all the films listed in the Crix Pics section of *Variety* magazine between October 1991 and April 1993. Although the search started with a random sample of 200 films, various missing values resulted in reducing the effective sample to 175 films. This sample contained 156 MPAA films and 19 foreign productions, and it covered more than a third of 475 MPAA-affiliated films released between January 1991 and April 1993 (see Vogel, 2001, Table 3.2, p. 80). The 1991–1993 data set is fairly large compared to the ones that have been used recently in the marketing literature (Eliashberg & Shugan, 1997; Lehmann & Weinberg, 2000). Moreover, the sample is representative of the population, which is indicated by the fact that the proportion of G-, PG-, PG13-, and R-rated films in the sample (3.4%, 14.3%, 25.1%, and 53.7%, respectively) closely matches the corresponding figures for the population (1.5% G, 15.8% PG, 22.1% PG13, and 60.7% R; see the *Blockbuster Guide to Movies and Videos*). The second data set was similarly chosen from films listed in the Crix Pics section of *Variety* between December 1999 and September 2000. In (calendar year) 2000, there were 197 MPAA-affiliated films released in the United States, and hence the data sample covers almost half of them. There is a close match in the distribution of film ratings of the movies in the population and in the 2000 sample, similar to the match of the 1991–1993 sample. This suggests the representativeness of both the selected samples.

**Variables**

Because video revenues constitute a large percentage of a movie’s earnings (Vogel, 2001), the dependent variable of a movie’s performance is operationalized by the total revenues (domestic box office plus video revenues) earned by the movie and is consistent with the operationalization of Ravid (1999). The data on domestic box office and video revenues were provided by *Baseline Services*.

One of the key independent variables of this study is genre familiarity. At the aggregate market level, consumers are likely to be more familiar with movies of certain genres than others because they would have seen more movies of those genres. In this study, genre familiarity is operationalized by considering the number of movies released in each of the different genres over a period of time—the more (fewer) the number of
movies released in a particular genre during a given time period, the greater (lower) the likelihood that consumers would have seen more (fewer) movies in that genre.

Dominick (1987) analyzed 1898 movies between 1964 and 1983 and found that “the most frequently appearing type of film in all years was, not surprisingly, general drama” (p. 146). His research also showed that the number of comedy movies increased sharply during this time period, a finding also corroborated by Litman (1982). For example, Dominick (1987) indicated that for the five-year period between 1974 and 1978, dramas and comedies made up 31% of all movies. Similarly, in the five-year period between 1979 and 1983, the percentage of dramas and comedies rose to 46% of all movies (Dominick, 1987, Table 4, p. 147). Consistently, researchers such as Litman (1983), Litman and Kohl (1989), and Sochay (1994) have reported that the two genres that have significant impact on the box office revenues are drama and comedy. In the five-year period between 1994 and 1998, the combined percentage of drama and comedy movies averaged about 63% of all films in number, generating an average of 46% of the domestic total revenues. In 1999, of all the films released, 67% belonged to either comedy or drama (Hollywood Reporter, August 1999). Moreover, in terms of domestic revenues, these two genres contributed about 50%. Thus, drama and comedy are the two most popular genres—not only with producers and directors (because the largest number of released films belong to these two genres), but also with consumers (because these two genres collectively generated the largest box office revenues among all genres). In other words, these two genres are the most popular from both the demand and supply perspectives. Consequently, consumers are likely to be more familiar with movies in these two genres. The approach of Elberse and Eliashberg (2003) was followed in collecting genre information of movies from the Internet Movie Data Base (www.imdb.com). Consistent with the numbers published in Hollywood Reporter in recent times and with the previous academic research reported above, drama and comedy movies constituted 59% of all the movies in the 1991–1993 data set and 51% in the 2000 data set and were classified as more familiar genre movies. Other films in the data sets were categorized as belonging to less familiar genres.

Another independent variable of interest is the valence of critics’ reviews. Litman (1983) and his co-authors have traditionally used the five-star system as a measure of critics’ rating (the more the number of stars a movie receives, the better the rating). However, Eliashberg and Shugan (1997) and Ravid (1999) have used data from Variety that divides critics’ reviews (from four major cities in the United States—New York, Los Angeles, Washington, and Chicago—published on the first weekend of a movie’s opening) into three categories—pro (positive), con (negative), and mixed. The measure of critics’ reviews in this study is based on the review data from Variety, because it provides more information than that provided by the star system and is specifically operationalized as the ratio
of the number of positive reviews divided by the total number of reviews (sum of pro, con, and mixed) received by a movie. The greater the value of this ratio, the more positive are critics’ reviews.

Finally, the operationalization of the independent variable of star power was consistent with prior research (Litman, 1983; Litman & Ahn, 1998; Ravid, 1999). Specifically, it was based on whether or not the featured actor(s), actress(es), or director of the movie had won an Oscar for Best Actor, Best Actress, or Best Director, respectively. In other words, star power is a binary variable, with movies either having a star or not having a star. This information for each movie was collected from Baseline Services and the IMBD database.

RESULTS

To test the hypotheses, a 2 (genre familiarity—less vs. more) × 2 (star power—yes vs. no) × 2 (valence of critics’ reviews—less vs. more positive) ANOVA with total domestic revenues as the dependent variable was run. The analyses were run separately for the 1991–1993 and 2000 data sets. ANOVA was the preferred mode of data analyses because testing of all three interaction effects required a comparison of cell means. To help run ANOVA, a median split of the valence of critics’ reviews was used to provide with less positive and more positive reviews. The mean review values in the two groups after the median split were significantly different for both 1991–1993 and 2000 data sets (ps < .0001). Table 1 presents cell sizes and cell means under different treatment conditions for both time periods. Because the cell sizes were uneven, results based on a Type III sum of squares are reported. Tables 2 and 3 present F statistics and significance levels of distinct effects for the 1991–1993 and 2000 data, respectively. Results for the 1991–1993 time period are discussed first.

<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Familiar Genre Movies</td>
</tr>
<tr>
<td>Weak Star Power</td>
</tr>
<tr>
<td>1991–1993</td>
</tr>
<tr>
<td>2000</td>
</tr>
</tbody>
</table>
1991–1993 Results

H1 suggested that the box office performance of less familiar genre movies will be better with strong star power compared to weak star power, but that star power will have less impact on the performance of more familiar genre movies. Results showed that even though the Star Power × Genre Familiarity interaction at the aggregate level was not significant \((F[1,167] = 2.27; p > .13)\), the pattern of four cell means was mostly consistent with the hypothesis. Specifically, for less familiar genre movies, consistent with expectation, the total revenue dramatically improved with greater star power than with lesser-known actors \((M_{\text{strong star}} = 74.01 \text{ vs. } M_{\text{weak star}} = 29.33; t = 3.66; p < .0003)\). For more familiar genre movies, contrary to expectation, the presence of star power helped the movie performance \((t = 2.24; p < .03)\), but the increase was much less compared to that for the less familiar genre movies \((M_{\text{strong star}} = 34.84 \text{ vs. } M_{\text{weak star}} = 13.48)\).

H2 pertains to the Valence of Critics’ Reviews × Genre Familiarity interaction. It suggests that the valence of critics’ reviews will have less impact on the market performance of more familiar genre movies and that the market performance of less familiar genre movies will be better with more positive reviews than with less positive reviews. Results supported...
this interaction \((F[1,167] = 4.65; p < .03)\). Specifically, for less familiar genre movies, more positive reviews boosted market performance dramatically compared to that of movies with less positive reviews \((M_{\text{more pos rew}} = 63.58 \text{ vs. } M_{\text{less pos rew}} = 33.68; t = 2.38; p < .02)\). In contrast, for more familiar genre movies, the valence of critics’ reviews had no impact on the movie performance \((M_{\text{more pos rew}} = 20.72 \text{ vs. } M_{\text{less pos rew}} = 27.11; t = 0.46; ns)\).

Finally, the Star Power × Valence of Critics’ Reviews interaction of H3 suggests that the valence of critics’ reviews will have less impact on the performance of movies with high star power, and that the market performance of movies with low star power will be better with more versus less positive reviews. The effect is strongly significant \((F[1,167] = 12.98; p < .0004)\) but it disconfirms the hypothesis. The performance of movies with weak star power did not vary whether they received good or poor reviews \((M_{\text{more pos rew}} = 11.07 \text{ vs. } M_{\text{less pos rew}} = 29.07; t = 1.52; p > 12)\). In contrast, for movies with star power, positive reviews boosted the performance compared to those that received negative reviews \((M_{\text{more pos rew}} = 63.15 \text{ vs. } M_{\text{less pos rew}} = 31.90; t = 3.45; p < .0007)\).

### 2000 Results

The 2000 results are consistent with those of the 1991–1993 set. H1 is significant \((F[1,93] = 3.86; p < .05)\) and consistent with the hypothesis. Specifically, for less familiar genre movies, consistent with expectation, the total receipts dramatically improved with the presence of star power than without \((M_{\text{strong star}} = 122.15 \text{ vs. } M_{\text{weak star}} = 84.05; t = 2.25; p < .03)\). Similarly, consistent with expectation, for more familiar genre movies, the performance of movies remained the same irrespective of the star power \((M_{\text{strong star}} = 68.92 \text{ vs. } M_{\text{weak star}} = 70.36; t = 0.51; ns)\).

Regarding H2, even though the Valence of Critics’ Reviews × Genre Familiarity interaction is not significant at the aggregate level \((F[1,93] = 1.30; p > .26)\), the pattern of four cell means is consistent with the hypothesis. As per expectation, for less familiar genres, movie performance marginally improved with more versus less positive reviews \((M_{\text{more pos rew}} = 114.50 \text{ vs. } M_{\text{less pos rew}} = 87.46; t = 1.71; p < .09)\). For the more familiar genres, also consistent with expectation, review valence did not influence market performance \((M_{\text{more pos rew}} = 69.07 \text{ vs. } M_{\text{less pos rew}} = 70.61; t = 0.12; ns)\).

Finally, H3 is significant but not consistent with expectation \((F[1,93] = 4.93; p < .03)\). The performance of movies with weak star power remained flat irrespective of whether the movies received good or poor reviews \((M_{\text{more pos rew}} = 71.31 \text{ vs. } M_{\text{less pos rew}} = 83.55; t = 0.69; ns)\). In contrast, for movies with strong star power, positive reviews boosted the market performance compared to that of movies with negative reviews \((M_{\text{more pos rew}} = 108.01 \text{ vs. } M_{\text{less pos rew}} = 75.24; t = 2.34; p < .02)\).

In summary, the 2000 result for H1 is stronger and more consistent with expectation than the 1991–1993 result. Regarding H2, even though
the 2000 result was insignificant at the aggregate level, the individual cell means were very consistent with the hypothesis and with the 1991–1993 result. H3 was strongly disconfirmed in both time periods. Finally, a formal analysis was conducted to check if the results were consistent across the two time periods. Specifically, the two data sets were combined and time was introduced as an independent factor, along with its corresponding interaction terms. Results revealed that none of those interactions were significant ($p < .16$), and thus the findings discussed above are consistent across the two time periods.

DISCUSSION AND IMPLICATIONS

Research on film attendance has shown that the genre of a movie, star power, and critics’ reviews each play an important role in influencing a movie’s market performance. This study examined the joint influences of these three variables by using real-world hard data from two distinct time periods. Findings, in general, were consistent across the two time periods and consistent with the hypotheses.

Consistent with H1, the interaction of Genre Familiarity $\times$ Star Power showed that for movies belonging to more familiar genres, star power has no impact on total domestic revenues. In contrast, for movies that belong to less familiar genres, greater (vs. lesser) star power has positive influence on market performance. Thus, studios planning to produce movies in genres that are less familiar to consumers should consider hiring popular stars, despite their high costs, to achieve box office success. Cost-cutting practices employing unknown stars may be detrimental to the market performance of such movies. Featuring strong stars in movies with less familiar genres probably reassures consumers that the movie is likely to provide good entertainment. On the other hand, because consumers have seen a greater number of movies that have more familiar genres, they know more precisely the role played by the different movie elements (such as direction, story, acting, screenplay, music, etc.) in making a good-quality film. In their opinion, star power seems to play a less important role. Consequently, studios can save tremendously by featuring less popular—and thus less expensive—stars when producing more familiar genre movies. Successful comedies like Scary Movie and American Pie bear testimony to this postulation. If a studio is considering producing a new movie, it can avoid the problem of escalating production costs (Lippman, 2002), attributed primarily to the rising salaries of stars, by deciding to make movies in more familiar genres but with a lesser known, and hence less expensive, cast.

Similar to the H1 result and consistent with H2, the interaction of Valence of Critics’ Reviews $\times$ Genre Familiarity revealed that the valence of critics’ reviews has no impact on the market performance of more familiar genre movies. In contrast, for less familiar genre movies, more
positive critics’ reviews helped market performance more than did less positive reviews. Thus, getting positive critical reviews would be important for movies in less familiar genres. Toward this end, studios can entertain critics at advanced screenings and can request stars to meet the critics and allow interviews. Moreover, studios can “motivate” the critics by using excerpts from their reviews in movie advertisements. The lack of familiarity associated with certain genres is possibly prompting consumers to read critics’ comments to find out more information about the different movie elements before deciding to see a movie.

On the other hand, studios need not pay as much attention to critical reviews for more familiar genre movies. In fact, numerous movies have opened without critics’ comments (Wall Street Journal, February 2, 2001, W6). Because of consumers’ familiarity with these genres and the relatively large number of movies released in these categories each year, reading the reviews for most, if not all, of these movies would be too much effort for the average consumer. This is because a relatively large number of movies (per genre) are released in this category in any given year, compared to the number of less familiar genre movies. For example, in the 1991–1993 data set, there are 104 dramas and comedies (or more familiar genre movies), compared to 71 less familiar genre movies, a category that subsumes 15–20 different individual genres (not all of which may be of interest to consumers). In other words, there are roughly 52 (only 3–5) movies per more (less) familiar genre category. A similar situation prevails for the 2000 data set. Thus, it is easier to use critics’ reviews to decide whether to watch a particular movie in the less familiar genre category.

Finally, results of the Star Power × Valence of Critics’ Reviews interaction were not consistent with H3. Specifically, results revealed that for movies with less star power, positive reviews did not improve market performance and negative reviews did not hurt it. In contrast, more star power did not improve a movie’s market performance if critics’ reviews were less positive. Only when more star power was combined with more positive reviews did the performance of movies improve. Similar results were obtained with the Star Power × Genre Familiarity interaction (when interpreted from the perspective of star power). That is, market performance of movies with less star power, irrespective of their genre familiarity, was poor. However, strong star power helped the market performance, but only for less familiar genre movies, probably because the association of strong stars with a less familiar genre movie is perceived to be diagnostic of movie quality. In other words, the association of popular stars with poor quality movies in the more familiar genre category is more common than in the case of less familiar genre movies.

These findings suggest that consumers perceive movies with less star power to be of poor quality and not worth patronizing. Low brand familiarity is negatively correlated in any market with brand typicality, brand reputation, perceived quality, and market share (see Pechmann & Rat-
neshwar, 1991). Consequently, there is relatively more scope for ambiguity and indecisiveness in the perceptions of movies featuring such stars (Desai & Ratneshwar, 2003). Thus, the valence of reviews is likely to matter less in the box office performance of such movies.

These findings also suggest that the presence of strong star power does not guarantee positive quality perceptions. Thus, these findings are less consistent with the conceptualization of stars as “high quality brands” proposed by Levin et al. (1997), and some possible explanations for it are offered. First, stars are just one of many elements (e.g., genre, story, screenplay, direction, music, and cinematography) that determine the characteristics (or nature) of a movie. Thus, star power is likely to play a limited role in influencing the overall quality of a movie and its box office performance. In contrast, in other product markets, the brand name exclusively influences the properties of a product. Therefore, consumers can be fairly certain about the properties of a new extension introduced by the parent brand just from being familiar with characteristics of the parent brand. This facilitates consumers’ use of the brand name as a heuristic for product quality. In other words, the likelihood of strong stars being associated with other movie elements that are weak is greater than that of a strong brand being associated with poor attributes in other product markets (e.g., through brand extension or branding alliance).

Second, successful stars (e.g., Arnold Schwarzenegger, Tom Cruise) have performed both typical roles (e.g., Schwarzenegger in True Lies and The Last Action Hero and Tom Cruise in Minority Report and Vanilla Sky) and atypical roles (e.g., Schwarzenegger in Twins and Jingle All the Way and Cruise in Jerry Maguire and Magnolia) that have been either successful (Arnold Schwarzenegger in True Lies and Twins; Tom Cruise in Minority Report and Jerry Maguire) or unsuccessful (Arnold Schwarzenegger in The Last Action Hero and Jingle All the Way; Tom Cruise in Vanilla Sky and Magnolia). This dichotomy is likely to create some uncertainty about the relationship between star power and movie quality in consumers’ minds. Critics’ reviews can help consumers reduce this uncertainty by providing detailed information about the movie and its overall evaluation. More important, well- (vs. less-) known stars are likely to evoke curiosity, interest, and excitement in consumers, prompting them to search for additional information in various forms, including reading critics’ reviews. Moreover, to the best extent possible, consumers will try to find out from critics’ comments whether or not their high expectations for movies featuring strong star power will be met. This reliance on critics’ reviews suggests that positive (negative) reviews would benefit (hurt) the box office performance of movies with strong star power.

The star power findings from the Levin, Levin, and Heath study (1997) need to be interpreted in perspective. Subjects in the experiment were provided descriptions of plots of new movies featuring either well-known stars or unknown actors, and some subjects received comments from
movie critics whereas others did not. Subjects were asked to judge the quality of individual movies by indicating their likelihood of going to see the movie. In contrast, the real-life data used in this study reflects consumer’s choice or preference among the set of movies concurrently running at any given time. Consequently, subjects of the Levin et al. study are likely to have found information about stars (and critics’ comments) more salient and thus more influential in the experiment (because that was the only information they had), compared to in real life, where one or more of many other factors could possibly influence the movie-going decision and reduce the heuristic value of stars.

On the basis of the findings of this study, one can speculate that a more appropriate conceptualization of stars should be akin to ingredient (branding). That is, if the attribute being ingredient branded is less important (Desai & Keller, 2002) (i.e., if acting is a less important element in a specific movie) or if the ingredient has poor fit with the (other elements of) host product concept (i.e., with other movie elements) (Simonin & Ruth, 1998), then stars would play a less important role in the market performance of the movie.

LIMITATIONS AND FUTURE RESEARCH

Although using real-world hard data instead of “stated” data from an experiment enhances the external validity of this study, it sacrifices the internal validity. Consequently, alternative process explanations may underlie the findings. However, the theoretical arguments presented above provide an appropriate framework for examining these interactions.

Regarding future research, one could proceed in many different directions, some of which are listed below. The finding that star power had no influence on the market performance of more familiar genre movies raises the question of which other movie element(s) would consumers use to decide whether to watch a specific movie from the more familiar genre category. Future research could examine the role of novelty or uniqueness in the story line. Stacey Snider, chairman of Universal Pictures, was quoted in Wall Street Journal (King, 2002) as saying “Look, I’m a moviegoer and I’m bored. I’m getting tired of movies that all look the same.”

Similarly, for more familiar genre movies, consumers did not rely on critics’ reviews as the source of information for deciding whether to watch a specific film in that category. Given that consumers are very familiar with movies in that category, as well as the impracticality of consumers reading reviews of the number of movies released in that category, examining the interaction of Genre Familiarity × Efficacy of the Source of Information would be interesting. Because advertising provides only basic information about a movie’s plot and because consumers have a
fairly good idea about movies in the more familiar genre category, it could
be speculated that for more familiar genre movies, consumers may rely
more on advertising (or word of mouth), whereas for less familiar genre
movies, they may find critics’ reviews more helpful.

Finally, the unique nature of movies (and to some extent Broadway
and recorded music) as a product market, compared to other product
markets (e.g., laundry detergent), greatly enhances the importance of
genres. Specifically, unlike other product markets in which a set of estab-
lished brands compete among themselves (with occasional new intro-
ductions), two to five new movies are released every week. Each movie
is different from the previous one, and consumers have to decide every
week (or 2 weeks) which movie(s) to watch. Had it not been for genres—
within which movies can be categorized and understood—consumers
would have found the repeated problem-solving task too tiring and stress-
ful. There is little prior research on genres. Studio managers would be
interested in future research examining the specific role(s) genre plays
in a consumer’s decision to watch a specific movie—does it help con-
sumers form movie consideration sets (e.g., I will consider watching only
dramas, comedies, and thrillers)? Do consumers associate different gen-
res with specific actors and directors? Are some genres perceived more
similar to, and thus substitutable for, some other genres?

REFERENCES

nal of Consumer Research, 13, 411–454.
model and standardized definitions. In B. A. Austin (Ed.), Current research in
Basuroy, S., Chatterjee, S., & Ravid, S. A. (2003). How critical are critical reviews?
The box office effects of film critics, star-power and budgets. Journal of Mar-
keting, 67, 103–117.
Bennette, P. D., & Harrell, G. D. (1975). The role of confidence in understanding
and predicting buyers’ attitudes and purchase intentions. Journal of Consumer
Research, 2, 110–117.
Addison-Wesley.
models of consumer satisfaction. Journal of Marketing Research, 24, 244–249.
Press.


Correspondence regarding this article should be sent to: Kalpesh Desai, State University at of New York at Buffalo, 239 Jacobs Management Center, Buffalo, NY 14260 (kdesai@buffalo.edu).