# Art-House At Home: Digital Distribution of Independent Films, From Day-and-Date to Netflix

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Just days after Netflix CEO Reed Hastings announced the company's plan to double their investment in original content, specifically feature films, Netflix Chief Content Officer Ted Sarandos gave the keynote address at the 2013 Film Independent Forum. Sarandos' speech claimed that consumers wanted shorter distribution windows, arguing that the current standard of the 90-day theatrical window, strictly enforced by theater owners, was stifling innovation in film distribution; in Sarandos' words, "not only are they going to kill theaters, they might kill movies."

Also in 2013, independent distributors like Magnolia, Roadside Attractions, and RADiUS were using the day-and-date release strategy – simultaneously releasing in limited theaters and digital video-on-demand, like iTunes or through a cable service provider, on the same day – to supplement box office profit on their indie titles. Speaking to many of the leading industry players in independent film distribution, Sarandos likely thought his keynote would be met with support; however, not only did Sarandos' claims ruffle the feathers of theater owners, it was also met with hesitation from independent distributors as well.

When asked for his reaction to the keynote by *IndieWire,* Dylan Marchetti, SVP of Acquisitions and Theatrical Distribution at the independent film distributor Variance Films responded:

> *… he knows that any resistance here isn't to day-and-date releasing, it's to "day-and-date and also free for Netflix subscribers." Windows are important, and they are a science, and Sarandos knows that too… if they weren't, we'd see* House of Cards *running on NBC at the same time it showed up on Netflix. After all, everyone with a TV gets NBC, so aren't access to all those eyeballs what's best for the show? Not necessarily — because this isn't checkers, it's chess.* [1]

Marchetti's statement captures an emotion that was not exclusive to Sarandos' keynote in 2013, nor was it exclusive to independent film distributors; this sentiment echoes the polarization that had been building between technology platforms and a number of film institutions – studios and independent distributors, theaters and exhibitors, and festivals and awards – for several years, and continues today.

My position in this panel considers this recent industrial history of independent film distribution. In the late-2000s and early-2010s, the independent film industry was in a state of flux; the Sundance-Miramax era was over, studio specialty divisions dominated independent film distribution, and both filmmakers and independent distributors were looking for new ways to capture the lost art-house audience. I argue that the development of the day-and-date release by theatrical distributors not only opened the door for streaming platforms to adopt a similar business model, but also helped audiences adjust to digital media consumption, specifically of independent films. Considering the recent history of independent film distribution, one could argue that subscription video-on-demand services (SVODs) like Netflix and Amazon capitalized

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1 "Attention, Ted Sarandos: Indie Distributors Have Something to Say To You," *IndieWire,* 6 November 2013, http://www.indiewire.com/2013/11/attention-ted-sarandos-indie-distributors-have-something-to-say-to-you-33224/#articleHeaderPanel.

on an independent film industry at its weakest: after studio specialty divisions dominated the independent film marketplace, creating high barriers to entry that left many independent films and distributors struggling to gain visibility in the shadows of entertainment conglomerates. Therefore, the instability of the independent film industry during this time not only led to the SVODs dominance in the independent film marketplace, but also helped pave the way for their involvement in Hollywood film distribution in general.

Modern media distribution is currently undergoing massive shifts: advancing technology has produced new outlets for media delivery, consumers expect to access content quicker, easier, and on-demand, and media distribution companies are experimenting with new business models to accommodate these volatile consumers. Only a few years ago, SVOD services like the ones above relied on media distributors to license content on their platforms, however, today these companies have become competitors to media distributors, skipping the traditional intermediaries to deliver products to their consumers directly.

These streaming platforms have since triggered an entirely new definition of what it means to be an independent film in the online era, one defined less by theatrical exhibition, a culture
of prestige, and an "art house" niche audience, and more so by an "anytime, anywhere" viewing culture, new structures and qualifications at film festivals and awards ceremonies, and algorithm-based viewer targeting methods that further narrow the "art house" audience from niche to individual. Today, these streaming platforms have started to distance themselves from independent film products, focusing more on producing and distributing films targeted at
a traditionally wider audience; however, looking back at the changes associated with independent film distribution and exhibition in the past decade can illuminate some examples of the many economic and cultural impacts technology companies have made thus far on the contemporary entertainment industry.