



How to maintain and expand the star wars film franchise in Indonesia

Kevin Ardhana Soeharli¹, Satya Aditya Wibowo²

^{1,2}Institut Teknologi Bandung

¹Soeharli.kevin@gmail.com, ²Satyawibowo@sbm-itb.ac.id

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ABSTRACT

The objectives of this research are to analyze the primary reasons Indonesian customers watch the movies. To advise a proper marketing strategy for future Star Wars films so the revenue of the film franchise will grow optimally. This research used primary and secondary data. The primary data are from quantitative and qualitative research, whereas the secondary data are from various internet sources. The conclusion shows that the future of the Star Wars film franchise is deeply connected and dependent on its fanbase due to the nature of the Star Wars brand embedding nostalgia within its fans, young and old. Time and time again, the fans have been responsible for some of the best marketing ploys in the industry, like Star Wars Day, "May the fourth be with you," which was organically created by the fans to appreciate and celebrate the Star Wars films. Star Wars fans continue to create demands for Star Wars films and merchandise. They also organically create new fans by spreading their joy and hobby in Star Wars. Indonesian customers watch movies to be entertained but a major reason is so that they are up to date with the current trend.



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INTRODUCTION

George Lucas (the writer, director, and producer) tells the story of young protagonist Luke Skywalker. Revolving around his quest to become a Jedi Knight, his struggles against the Sith Lord Darth Vader, and the conflicts of the Rebel Alliance to free the galaxy from the clutches of the evil Galactic Empire. The timeline for the Star Wars films is as follows, quoting from the Star Wars Wikipedia website.

The Star Wars film franchise has grown to be one of the most successful and longest-running film franchises in over 45 years. This film franchise has branched out into multiple entertainment media, including television (animation and live-action television series), video games, books, and comics. These are all supported by various merchandise, most notably the Star Wars toy line (Shedd, 2016). The narrative takes place in a galaxy far, far away. In the 1970s, humankind was still dreaming of exploring life in outer space, making it a fascinating topic to discuss. The Cold War between superpower nations competing in the space race to explore and find extra-terrestrial life was still ongoing at the time of the film's release.

Compared to today's standard, cinema technology in the 70s was not as sophisticated. Films were considered to be luxury goods, especially in Indonesia. It was rather difficult for the general public to enjoy movies, resulting in a niche market.

However, the release of the Star Wars films created a phenomenon that was able to break into the lifestyle of communities, notably Star Wars movie lovers. Thus, causing a positive effect on various productions and merchandising such as films, toys, books, video games, television series, and many more.

As previously stated, the first Star Wars film was highly challenging to produce due to technical limitations. It was also expensive to distribute; thus, movies were still considered luxurious entertainment, especially in Indonesia, making a small niche market during its initial release. However, Lucas and his team predicted technological advancements from year to year. Therefore, he was able to shape his market according to the changing times. The strategy used by Lucas to write the storyline of the whole Star Wars saga optimized the technology that was available for A New Hope in the 70s. He had predicted that the Sequel Trilogy would require newer technology to produce. Hence, he reversed the order of the trilogy.

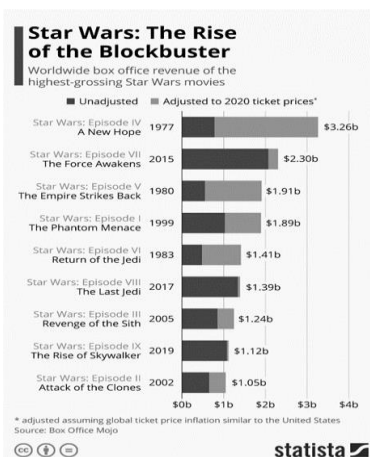


Figure 1 Star Wars: The Rise of the Blockbuster

Source: <https://www.statista.com/chart/20306/star-wars-box-office-results/>

Moreover, it is clear as Star Wars Episode IV: A New Hope was released as a space opera that tells the first successful film of its kind in an era where the world is not yet that familiar with space, thus sparking the curiosity of a large audience and making the film a blockbuster with revenues of \$3.26b (Figure 1.).

Any other Star Wars film has not passed this extraordinary achievement. This is in accordance with scientific principles as market optimization, the total market of a product offered to the market that can be managed optimally by the company to provide a maximum return in selling. To further expand the market of the Star Wars film consumers globally, George Lucas sold the majority of ownership of Lucasfilm Ltd. to Walt Disney Company (Warner, B., 2021).

Figure 1. shows the premiere launch of Star Wars Episode IV: A New Hope in 1977, grabbing a massive box office revenue of \$3.26b. This achievement was repeated in 2015 for the release of Star Wars Episode VII: The Force Awakens, earning \$2.30b.

However, as long as the Star Wars product remains within their market, the performance has steadily declined. Moreover, at the launch of Star Wars Episode IX: The Rise of Sky Walker (2019), the ticket sales were no better than the sales from the 2002 film Star Wars Episode II: Attack of the Clones, which only earned \$1.12b and \$1.05b giving cause to worry.

Having bought Lucasfilm Ltd. In 2012, PT. Walt Disney Indonesia, a subsidiary of the Walt Disney Company (thewaltdisneycompany.com, n.d.), becomes the problem owner in this research. Walt Disney Indonesia has little control over the executive and creative decisions for the Star Wars film franchise. Still, they are responsible for providing business insights and solutions for Disney Media & Entertainment Distribution in Indonesia.

Based on the data in Figure 1, there has been a decline in ticket sales from the release of the Star Wars films. The highest blockbuster numbers were earned by the first release in 1977. In contrast, the launch of the movies in 2002 and 2019 was drastically low in comparison.

Indeed, we must admit that the growth objective of the franchise from the fanbase or customer loyalty grows with the presence of new fans. However, this is not significant, with the total ticket sales of the film launched in 2019 dropping sharply.

The objectives of this research are to find out the primary reasons Indonesian customers watch the movies. To advise a proper marketing strategy for future Star Wars films so the revenue of the film franchise will grow optimally. In other words, to increase the number of Star Wars films audience. To find out the optimal promotional channel for the Star Wars film franchise to expand its customer base in Indonesia. To develop an implementation plan for the proposed marketing strategy.

RESEARCH METHODS

This research used primary and secondary data. The primary data are from quantitative and qualitative research, whereas the secondary data are from various internet sources. The quantitative data is obtained from the Star Wars market share performance and external survey. The qualitative data is obtained from internal interviews and channel observation. In sequence, the starting point for data

collection is by generating and analyzing data from the Star Wars market share performance. After that, internal interviews with the Star Wars community as a fan base and loyal customers in Indonesia are arranged. Then, external surveys are launched in parallel with channel observation. The result is comprehensive data about the Star Wars business landscape and its future regarding how to maintain and expand the Star Wars film franchise in Indonesia.

RESULT AND DISCUSSION

Internal analysis

VRIO Analysis

Through an in-depth interview with Mr. Mochtar Sarman, Creative Director (1998-2001) and Country Director of Retail and Licensing (2013-2018) for PT. Walt Disney Indonesia, and Key Opinion Leaders from Indonesian Star Wars communities, including Order 66, 501st Legion, and Rebel Legion, the research has gained qualitative data that can then be determined if they meet the four requirements of the VRIO framework: Valuable, Rare, Inimitable, Organization. The resources and capabilities examined are the Star Wars Intellectual Property, Disney Brand, Disney Capital, Original Story and Characters, Nostalgia, Hardcore Fanbase, Actors, and the Disney Ecosystem.

Table 1. VRIO Framework of the Star Wars film franchise

Resource/Capability	Valuable	Rare	Inimitable	Organization	Competitive Advantage
Star Wars IP	Yes	Yes	Yes	Yes	Sustainable competitive advantage
Disney Brand	Yes	Yes	Yes	Yes	Sustainable competitive advantage
Disney Capital	Yes	Yes	Yes	Yes	Sustainable competitive advantage
Original Story and Characters	Yes	Yes	No	Yes	Temporary competitive advantage
Nostalgia	Yes	No	No	Yes	Competitive parity
Hardcore Fanbase	Yes	Yes	Yes	No	Unused competitive advantage
Actors	Yes	No	No	No	Competitive parity
Disney Ecosystem (Disney+)	Yes	Yes	No	Yes	Temporary competitive advantage

Source: Author Personal Table

Star Wars Intellectual Property

When Disney purchased Lucasfilm, they essentially made Star Wars the intellectual property of Disney. This valuable and rare resource is therefore inimitable. As long as Disney holds the rights to Star Wars IP, no other company may produce or distribute any Star Wars films (Clark, D., 2015). However, Disney did not wait long to expand the Star Wars brand by launching the three new Star Wars Sequel Trilogy in 2015, 2017, and 2019, along with the stand-alone films in 2016 and 2018. As a result, the Star Wars film franchise is sustainable as five films have been released in five years.

Disney has a clear strategy for acquiring the Star Wars intellectual property. For many years, the female market has dominated the Disney franchise (Disney Princesses). The first movie studio they acquired was the animation studio Pixar in 2006. In 2009, they acquired Marvel Entertainment to expand their entertainment business. Therefore, it was only natural for Disney to acquire Lucasfilm in 2012.

Disney Brand

The Star Wars film franchise is also helped by being part of the Disney Brand. The brand, founded in 1923, has almost been around for a century and is one of the world's strongest brands. While it is true that the Star Wars fanbase is a niche compared to other intellectual properties, the power of the Disney Brand is pivotal in raising the consumer's awareness of the Star Wars name and, by default, the Star Wars film franchise (creativeclickmedia.com, 2015). A consumer might not be familiar with all Star Wars films. Still, they will be familiar with certain aspects of the Star Wars films like the

lightsaber, the costumes, characters, etc. The Disney Brand gives the Star Wars film franchise a sustainable competitive advantage over other film franchises that are not part of the Disney Brand.

Disney Capital

Disney has further strengthened its intellectual property portfolio with each acquisition and expanded its brand and capital. Within three years of purchasing Marvel Entertainment for \$4.24 billion, Disney was able to buy Lucasfilm for \$4.05 billion. The backing of Disney's capital has allowed the Star Wars film franchise to grow. Other companies cannot easily imitate this. Disney has been expanding its media reach for the past 50 years, practically unchallenged (High, K., 2019).

Most film studios usually release sequels to their pillar film franchises in 2 or 3 years. This formula can be seen in the Original Trilogy (released in 1977, 1980, and 1983) and the Prequel Trilogy (released in 1999, 2002, and 2005). Since Disney acquired Lucasfilm, over five years, five new Star Wars films have been released (2015-2019).

Original Story and Characters

The Star Wars film franchise has provided its audience with original stories and characters since 1977 (starwars.com, n.d). While another company can create their own original stories and characters, it can be hard for them to compete with Star Wars films. Giving the audience new stories and characters has also proven to be a good strategy for Star Wars, as seen in the new television shows since the Disney acquisition of the franchise.

Nostalgia

A unique capability of the Star Wars film franchise is the nostalgia the films evoke within the audience (Bate, J., 2022). Many older audiences feel nostalgic when they see familiar characters and settings. There is indeed a charm in nostalgia for movies and the cinema. There is constantly a remake of old films or reboot of older film franchises. There is power in nostalgia, especially when children become adults. They receive joy from indulging the inner child within.

Hardcore Fanbase

The enthusiasm from the Star Wars fanbase is essential. Especially in Indonesia, where Star Wars is not as popular as other film franchises like the Marvel Cinematic Universe. There is a generational gap within the Star Wars fanbase in Indonesia. The Star Wars films may be older than Marvel films. The Marvel film fanbase, in comparison, is larger and more expansive. Still, the Star Wars film franchise has a hardcore fanbase. To elaborate, a fan of a Marvel film, let's say Spider-Man, might not necessarily be a Spider-Man comic book reader. That fan might not even think to explore the Spider-Man universe outside of the film they saw. But a Star Wars film fan will most likely be involved in many things Star Wars-related. They join communities like Order 66, 501st Legion, and Rebel Legion. They read Star Wars novels and go to events dressed as their favorite characters and much more. Star Wars fans come from many different backgrounds, from the regular joe to the biggest names in Hollywood (Gittleman, D., 2021).

Actors

The Star Wars film franchise has been pivotal in some actors' careers. Likewise, many actors' dream role is to be a part of the Star Wars film franchise. Unfortunately, due to the nature of filmmaking, this resource is not considered rare or inimitable. Nevertheless, playing a character in a Star Wars film is an achievement for an actor. It is also likely that these actors are also fans of Star Wars (Hornshaw, P. and Owen, P., 2021).

Disney Ecosystem

Disney has built a self-sustaining ecosystem in their entertainment business front. Star Wars has benefitted from such an ecosystem as a brand and film franchise (knowledge.wharton.upenn.edu, 2015). Over their multiple amusement parks and merchandise, even if you have not seen a Star Wars film in your life, you are more likely to be aware of the Star Wars film franchise. Some markets, like China, require more effort to break into the market, while other markets, like Japan, are easier to break into culturally as Americana culture is heavily felt in Japan (Chan, J., 2015). Each market has a different

approach when promoting a new Star Wars film. In Indonesia, Disney has had to rely on cooperation with the fanbase and focus on offline and online campaigns. Social media and Key Opinion Leaders also play a significant role in maintaining and expanding Indonesia's Star Wars film franchise.

As seen with the television series on Disney+, Disney is on the right track to capture more fanbases and close that generation gap felt before. It took years to build the film franchise. With the ease of online film streaming, it has become easier to bridge the gap between fans and create new hardcore fans. Every Star Wars film produced so far is now available to watch on Disney+, not to mention all the animation series and the new and popular live-action television series exclusively made for the online streaming platform.

1.1.1. Star Wars Film Franchise Segmentation Targeting, Positioning

The segmentation for Star Wars Film Franchise is shown in the table below, based on the qualitative data of this research:

Table 2 STP Analysis of Harmony Land

Segmentation	Type of Segmentation	Description
Geographics	Country	United States
	City	All
	Density	Urban, Suburban
Demographic	Age	16-64
	Gender	Majority Male (over 6 in 10)
	Occupation	All
	Social Class	Middle Up
	Family Life Cycle	Young to Adult, Families
	Education	High School and University Graduates
Psychographics	AIO: Activities, Interest, Opinions	Cinephiles of Science Fiction, History and Horror, Internet and Social Media Users

Source: interview with management of Harmony Land

The Star Wars film fan is typically a science fiction fan. However, because of the long-lasting franchise, the franchise needs to continually appeal to newer and younger fans to keep the films alive. As the success of the Star Wars film franchise is attributed to their long-time fans, the commercial attractiveness of each segment must be carefully evaluated.

The targeting for Star Wars Film Franchise is shown in the table below, based on the qualitative data of this research:

Table 3 Star Wars Film Franchise Targeting Variable

Description	Target Market
Gender	60% Male and 40% Female
Density	Focus on cities with cinema chains
Social Class	Middle Upper with disposable income
Family Life Cycle	Adult (25-45)
Personality	People who grew up or whose parents grew up watching Star Wars films
	Cinemaphiles (goes to the cinema often)
	Fans of other film franchises (Disney-owned)
	Want greater involvement with their favorite brands and media
	Likes to discuss their interests online
User Target	Cinephiles who are TV, Internet, and Social Media Users

Source: Author Personal Table

The positioning of Star Wars Film Franchise is shown in the table below, based on the qualitative data of this research:

Table 4 Star Wars Film Franchise Positioning Statement

Positioning Statement

Star Wars films are pioneers in Science Fiction films, breaking barriers and attracting audience, turning them into fans of the film franchise.



Description

For people that went to the cinema to see the Original Trilogy Star Wars films, they can expect to continue to be amazed by the storyline and characters of the Skywalker Saga. Star Wars is initially aimed at kids and keeps reminding adults to have fun and enjoy the nostalgia of childhood fantasy.



Target Market	Brand	Frame of Reference	Differentiation	Competitive Edge
The audience of the Original and Prequel Trilogy.	Star Wars film	Science Fiction	Familiar characters	Science Fiction
		Original	Epic saga	Plot Twists
		Fanbase		Top filming technology

Source: Author Personal Table

Star Wars Film Franchise Marketing Mix (7Ps)

Traditionally, the marketing mix refined by Edmund Jerome McCarthy in his book *Basic Marketing* (1964) consisted of four cores or 4Ps (Product, Price, Place, and Promotion). It has now evolved into 7Ps, adding three more elements: People, Process, and Physical Evidence (Hanlon, A., 2022). The current Star Wars film franchise marketing mix in Indonesia before the COVID-19 pandemic started is as follows

Product

Star Wars science fiction films in the form of 2D, 3D, 4DX, and IMAX. The old Star Wars films have started to be made available across multiple devices and other platforms than the cinema.

Price

Rising ticket and concession prices (vary from city to city, ranging from Rp. 25.000,00 - Rp. 75.000,00, excluding special screens like 3D, 4DX, IMAX and exclusive screens with recliners and beds). It is important to note that cinema ticket prices in Indonesia are relatively low, if not the lowest, compared to other countries in Asia and the rest of the world.

Place

Cinemas (primarily located in malls in major cities such as Jakarta, Bandung, Yogyakarta, Surabaya, Denpasar, Medan, Palembang, Pontianak, Makassar, etc), cable television, legal online streaming platform (Netflix), illegal online streaming platforms.

Promotion

Film trailers, toys, other merchandise, panels at conventions, campaigns with fans and communities, and Key Opinion Leaders, including Indonesian actors cast in Star Wars Episode VII: The Force Awakens (2015).

Physical Evidence

Star Wars toys and merchandise are often found in stores in Indonesia. Every Star Wars film premiere is highly anticipated. The Star Wars communities across the globe are also among the most hardcore Star Wars fans. They are involved in many charities, spreading the positive vibes brought from

the films. The 501st Legion, formed mainly of Star Wars film villains, is known for its motto, “Bad guys doing good.” The local Star Wars communities in Indonesia are small but growing.

People

Actors involved in Star Wars films are known worldwide and exude specific star power. They are expected to uphold certain standards to maintain the Star Wars and Disney brand image. The filmmakers and crew are also experts in their field.

Process

Harmony land focuses to help customers get their own house. The process service is followinThe Original Trilogy and Prequel Trilogy of the Star Wars film franchise were unavailable in Indonesian cinemas, but the Sequel Trilogy finally found its way to Indonesian cinemagoers in 2015. Since then, Indonesian audiences and Star Wars fans have been watching new Star Wars films in the cinema.

Overall, the Star Wars film franchise has applied amazing marketing techniques. In some cases, they have even founded new marketing strategies imitated by other film franchises and brands. However, the marketing strategy used in the United States cannot be expected to yield the same or greater results when applied in other countries like Indonesia.

Star Wars Integrated Marketing Communication (IMC)

It is important to note that the marketing strategy for Star Wars films varies from country to country. In Indonesia, social media plays the biggest role in marketing, especially Instagram and TikTok. In order to relate to a relatively new audience when Star Wars Episode VII: The Force Awakens (2015) was released, Disney Indonesia relied heavily on campaigns to attract cinemagoers (Sarman, Mochtar. Personal Interview by Kevin Soeharli. Jakarta, Indonesia: 18 February 2022). To bridge the cultural and generational gap, they worked with Key Opinion Leaders such as Instagram celebrities and musicians, inciting interest in the new film. Disney also worked very closely with the fanbase, in particular Order 66, 501st Legion, and Rebel Legion, engaging the Indonesian market through many offline activities such as events in malls. He concluded that in Indonesia, there needs to be more effort made to reach out to the existing fanbase if the Star Wars film franchise hopes to expand its emerging market in Indonesia.

For example, one of the best Star Wars marketing strategies that could be a marketing lesson for other intellectual properties is by creating its own special day. On May the 4th, every year, is known as Star Wars Day, originating from the famous catchphrase in the franchise, “May the Force be with you.”, transformed into “May the fourth be with you.” In comparison, the Star Wars Day celebration in Indonesia pales in contrast to the celebration in other countries like the United States or Japan. Disney Indonesia should create more events in anticipation of Star Wars Day celebration in Indonesia regardless of whether there is a new film out or not.

By having many types of content and merchandise before a new Star Wars film, Disney managed to get the existing Star Wars fans more excited about each new film. This is also a chance to expand to new audiences by experimenting with their marketing. To quote Mr. Mochtar Sarman, “Disney must not be afraid to try new things.” (Sarman, Mochtar. Personal Interview by Kevin Soeharli. Jakarta, Indonesia: 18 February 2022).

Due to the COVID-19 pandemic, there has not been a new Star Wars film since Star Wars Episode IX: The Rise of Skywalker in 2019. The next Star Wars film scheduled to be released is currently titled Rogue Squadron (slated for release on December 22, 2023). However, the Star Wars film franchise has been supported heavily by the live-action television series on Disney+ with The Mandalorian (2019) and The Book of Boba Fett (2021), not to mention the upcoming Obi-Wan Kenobi (2022), keeping the Star Wars stories alive and well. Seen on Figure 2.5., between the 1st quarter and 3rd quarter of 2021, Disney+ is second only to Netflix in the number of streaming video entertainment applications downloaded worldwide.

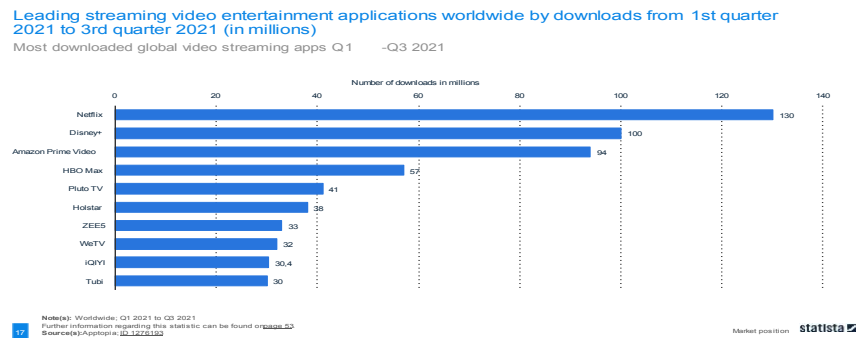


Figure 2 Leading streaming video entertainment applications worldwide in 2021
 Source: Study ID20840 Walt Disney Company Dossier by Statista

While closing in on Netflix in terms of subscribers, Disney+ has superbly overtaken Netflix by becoming the highest-grossing video streaming mobile app in the United States in 2021 (Figure 2.6.), showing a large interest in the market for viewing video content on the mobile phone as opposed to the traditional home television.

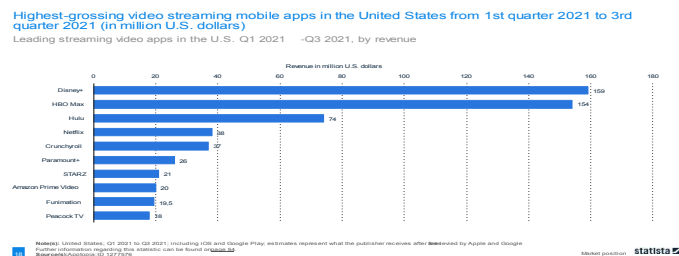


Figure 3 Highest-grossing video streaming mobile apps in the United States in 2021
 Source: Study ID20840 Walt Disney Company Dossier by Statista

Disney has enjoyed healthy growth in Disney+ subscribers worldwide (Figure 2.7.).

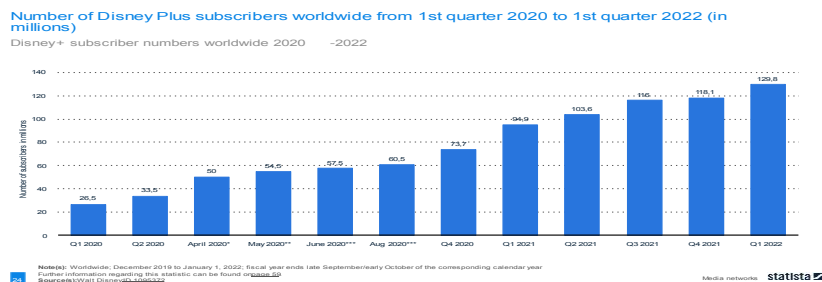


Figure 4 Number of Disney+ subscribers worldwide 2020-2022.
 Source: Study ID20840 Walt Disney Company Dossier by Statista

This steady growth in online streaming subscribers when compared to the decline in cinema attendance confirms that the film market is changing. Especially since Disney has started to reclaim their intellectual properties like Star Wars and the Marvel Cinematic Universe from other streaming platforms, making them exclusively available on Disney+, the fans of the franchise have “no choice” but to subscribe to Disney+ and more likely than not, they would be exposed to other video contents from said franchises.

The Star Wars live-action television series have managed to expand the market segment of Star Wars, which was male-dominated, by introducing the popular Baby Yoda character in The Mandalorian. The Sequel Trilogy has also departed from the traditional strong male lead character by having a strong female lead character in Rey Skywalker. By focusing on Disney+’s marketing, especially due to the pandemic restrictions and the fact that the next Star Wars film is not going to be

released until 2023, Disney can easily gain a new audience, young and old, in preparation for that next Star Wars film.

External Analysis

PESTEL Analysis

Political Factor

While the Star Wars films have consistently shown political themes within their narrative, the franchise has not been punished by external political factors. However, just like most businesses, the film industry has been and will always be affected by the political decisions of one's country. In particular, we will discuss how Hollywood and the Star Wars film franchise's revenue has been affected by some political events.

Historically speaking, the oldest national film industry is traditionally Hollywood. The box office revenue was usually dominated by the United States, also known as Domestic Box Office. However, the decline in domestic ticket sales has seen the Foreign Box Office taking over in numbers. As a result, China has overtaken North America as the world's largest film market. In 2021, a vast majority of global box office revenue worldwide is now secured by China (Frater, P., 2022). Out of the \$21.4b global box office reached in 2021, China alone accounted for \$7.4b or just over a third at 34% of the global box office revenue. The steady slump in domestic box office over the years has not gone unnoticed as Hollywood has been trying to break into the China film market. Many films have included Chinese actors as part of the cast and the country itself as part of the geographical setting for the narrative.

This is where political factors come into play. The ongoing trade war between China and the United States in 2018 has impacted the exporting and importing of foreign films. Not to mention local politics gearing the consumer to favor local films over American films, coupled with the occasional banning of films deemed unsuitable for release, makes it more challenging for Hollywood's quest to dominate the film market there.

Similarly, the Indonesian film industry and market have had their share of struggles because of politics. Historically, the Indonesian film industry only gained traction after the Reformation Era in the early 2000s. In 2016, Indonesia's cinema industry opened its doors to foreign companies (Danubrata, E. and Kim, H., 2016), making it easier for them to fully invest in Indonesia, resulting in the establishment of South Korea's CGV Blitz cinema chain in Indonesia, bringing healthy competition to the otherwise near-monopoly of cinema chains by Cinema 21. This liberation in the industry created an influx and supply of various foreign films satisfying the many demands of the growing cinemagoer. A case personally felt by the Star Wars film franchise would be in 1983. There were not as many cinemas in Indonesia at the time. Therefore, the local cinemas opted to import Octopussy (1983) from the James Bond film franchise instead of Star Wars Episode VI: Return of the Jedi (1983). Albeit unlikely, future Star Wars film releases in Indonesian cinema may be affected by the country's political moves.

Economic Conditions

As previously mentioned, traditionally, worldwide box office revenue can be categorized into two, the Domestic Market (United States) and the Foreign Market (the rest of the world). Based on the data from Box Office Mojo (boxofficemojo.com, n.d.), which houses data from 1977, we can compare how the film market has changed over the decades. For instance, the box office for the Original Trilogy films consisted of 100% domestic ticket sales, where they all came on top in terms of box office revenue. It was not until the Prequel Trilogy that the Star Wars film franchise started to gain box office revenue from overseas. Again, the Star Wars film franchise topped the box office with the release of Star Wars Episode I: The Phantom Menace (1999).

Interestingly, the subsequent two films of the franchise failed to retain the box office crown. Instead, Star Wars was responsible for its future competitors by becoming a film franchise. Other film franchises like The Lord of the Rings, Harry Potter, and Spider-Man (later acquired by Disney) have since provided competition at the box office. It is interesting to note that in most cases, the foreign market has counted for more than 50% of the box office overall.

Box office revenue of a film is typically split up between the studio, its financiers, and the cinema owners, where they get between 30-50% of ticket profits depending on the deals made between them. This causes cinema ticket prices to rise continually, giving more considerable box office revenues each year and, ironically, causing cinema attendance to continue to fall steadily. The purchasing power of film consumers depends highly on the economy regardless of supply and demand. One good example

would be when the first film of the Prequel Trilogy was released, *Star Wars Episode I: The Phantom Menace* (1999). This film did not see an Indonesian theater release because of the 1997 Asian Financial Crisis (en.wikipedia.org, n.d.). It became too expensive for the Indonesian cinema to purchase the new *Star Wars* film for the next generation at the time. As a result, going to the cinema fast became an increasing luxury. The minimum cost to view a foreign film not shown locally is equivalent to a plane ticket to Singapore. Eventually, Indonesians were able to watch *Star Wars Episode I: The Phantom Menace* (1999) as a TV premiere on 24 June 2005 and through unlicensed DVDs.

For the longest time, films shown in cinema have been the number one source of entertainment. But, today, movie theaters have to compete with countless entertainment options: affordable flat-screen TVs, surround sound speakers, and the ever-increasing number of streaming services, to name a few.

Cinema had started as a revolutionary form of entertainment. As the art of cinema evolved, some movies have become more complex, and the cost of production escalated accordingly to attract more audiences and successfully increase profits. Although there is a stream of successful low-budget box office record-breaking films, even these films had the same ticket prices as the high-budget *Star Wars* film in the same year. The emergence of streaming platforms, specifically Netflix, which has grown since 2007, provided the general public with a cheaper way to enjoy the films that they want to watch. A month's subscription to one of these streaming platforms might be equal to or even less than the price of one cinema ticket.

The growth of online streaming proves that consumers can easily be entertained at home. Especially when we consider families, the benefits of an online subscription began to outweigh the benefits of going out to the cinema. Film profits are competing with convenience.

Sociocultural Forces

There is an argument that television has always made films last, and franchises survive (Guerrasio, J., 2021). Online streaming services spearheaded by Netflix have created the binge-watching trend among consumers of visual entertainment. This trend has evolved into a consumer habit. Along with a massive selection of older television shows and newer ones made especially for these streaming platforms, most of them offer a healthy library of old films and new ones, catering to every genre. Some movies are even exclusively released for specific platforms, like the recent *Marvel Cinematic Universe* films, released solely on Disney+ due to the theaters shut down by the COVID-19 pandemic.

The binge-watching nature of television has crossed over the borders of film binge-watching. This is especially welcomed for film franchises like *Star Wars*. A fan of the franchise can hold their own *Star Wars* movie marathon for practically nothing but the price of a subscription to Disney+. At the moment, every *Star Wars* film in the franchise is available on Disney+, not to mention live-action television series, animated series, and cartoons for kids. These are essential companions for the films to draw and engage the *Star Wars* fans, enriching their film watching experience and gaining new fans.

Indonesian filmmakers have enjoyed the rebirth of the film industry, building and shaping the film market with their newly found freedom after the many prohibitions during the 2nd president of Indonesia's decades of creative shackles that ended in 1998. From Figure 2.11. we can see a significant increase in domestic films made after 1998.

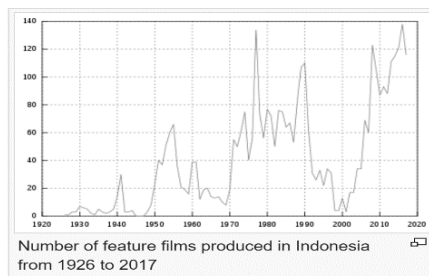


Figure 5 Indonesian film production over the years

Source: https://en.wikipedia.org/wiki/Cinema_of_Indonesia

Since the early 2000s, the consistent popular Indonesian film genres have always been horror, comedy, and drama/romance. An increase in the Islamization of Indonesia has given rise to popular films with explicit Islamic themes, characters, and settings (en.wikipedia.org, n.d.). This means that it

is always a risk for foreign films of a genre outside of the popular three to be shown in Indonesian cinema, which is why being an established film franchise helps a film to compete in the local cinemas.

Ironically, the liberation of freedom of speech and creativity restricted before the Reformation Era in 1998 did not mean that Indonesian cinema was as free as Hollywood or its counterparts. Another challenge foreign films face is the censorship of films in Indonesian cinema based on Eastern and Islamic cultural values, which are still highly held by most Indonesians. The Indonesian Film Censorship Board (Lembaga Sensor Film, LSF) has the final decision to censor, edit or ban films based on their increasingly more conservative regulations (Barker, T. A. C., 2011).

Therefore, it is not unheard of when a foreign film gets cut and edited, often very poorly cut, before its theater release in Indonesia. This is something that the Star Wars film franchise might need to consider when viewing the Asia Pacific film market, even if Indonesia's Film Censorship Board is not as strict as some other countries.

Technological Factor

The Star Wars film franchise has changed Hollywood in fundamental ways, especially in popularizing the use of CGI (computer-generated imagery) in filmmaking, innovating state-of-the-art special effects, and cementing the tradition of summer blockbuster films started by Jaws (1975). In addition, the evolution of Star Wars films from the Original Trilogy through the Sequel Trilogy has made use of different filming techniques and technology available at the time.

Today, many theaters offer an exciting cinema viewing experience compared to the cinema of olden times. Everything from 3D effects to 4DX, developed by CJ 4DPLEX, a subsidiary of the South Korean CJ CGV that has expanded its cinema chains in Indonesia and the IMAX. The IMAX provides a massive screen with a tall aspect ratio and steep stadium seating for viewing some films shot either partially or entirely with IMAX 70mm cameras or IMAX-certified digital cameras. The 4DX experience involves the audience as films are augmented with special effects and motion-enhanced. This includes motion seats, strobe lights, simulated weather, and scents.

Some Star Wars films like Star Wars Episode VII: The Force Awakens (2015) and Star Wars Episode VIII: The Last Jedi (2017) were partially shot with IMAX 70mm cameras. This made watching those Star Wars films in the cinema a unique experience at the time because the films would look different viewed on an IMAX screen compared to when viewed on a regular cinema screen. More recent Star Wars films have used 4DX technology to appeal to the fans, including Star Wars Episode VII: The Force Awakens (2015), Rogue One: A Star Wars Story (2016), Star Wars Episode VIII: The Last Jedi (2017), and Star Wars Episode IX: The Rise of Skywalker (2019).

However, as history has proven time and time again, cinema technologies are not forever limited to the cinema. In 2021, Disney+ started offering a feature called IMAX Enhanced (Vincent, M., 2021). We can now stream some movies in IMAX resolution, regardless of the device used to watch the film.

Nothing can beat the experience of watching a Star Wars movie in the cinema, fully immersed in darkness with surround sounds and a large screen. However, the advancement of technology has made it possible for us to buy bigger and smarter flat-screen TVs, their prices dropping with every new model launched. Furthermore, home surround sound has also gotten smaller and more affordable. These are supported by an infinite library of films available on multiple streaming platforms in high-quality formats. With Virtual Reality in filmmaking just around the corner, when the COVID-19 pandemic shut down cinema screens for health and safety reasons, it is tough for the average cinema to compete with the home cinema. (Har-Even, B., 2020). Fortunately, this does not mean the end of Star Wars films and filmmaking. While technology keeps advancing, movies will always find their way into our lives.

Environmental Factor

As people were becoming more environmentally conscious and aware, businesses and companies were expected to become greener, with Environmental Laws becoming more prominent in today's society. The same applies to the film industry and the cinema, albeit dependent on each country's environmental policies.

The most awaited film in 2015, the first film in the Sequel Trilogy of the Star Wars film franchise, Star Wars Episode VII: The Force Awakens, was awarded the EMA Green Seal Award for its sustainable film production practices, which involved careful energy sourcing, waste reduction, recycling, reusing and donating materials, setting an example in the industry for future Star Wars films and other films (facilityexecutive.com, 2016).

Similarly, cinema chains can become more eco-friendly by using LED lighting, solar panels, environmentally friendly concession packaging, and proper waste management. These can all be done without jeopardizing the quality of the cinema. However, one could argue that the eco-friendlier way of watching films is by watching at home, considerably reducing our carbon footprint. We can all agree that while it requires quite an effort for cinema chains to be eco-friendly, it's not impossible, and becoming a greener cinema will appeal more to the masses.

Legal Factor

In 2009, roughly ten years following relatively new freedom of speech and freedom of creativity, the Indonesian government passed a film bill that reserves 60% of cinema screen time for local productions. This meant that the number of cinema screens that foreign films had to compete in was limited to 40% of the available screens (Shackleton, L., 2009). With the increase in value-added tax applied to foreign films, it became increasingly expensive for cinemas in Indonesia to show many foreign films. This gave rise to low-quality films of specific genres, mostly low-budget horror films, to fulfill the 60% quota, inadvertently shaping the local audience's taste for these films.

Porter's Five Forces

Competitive Rivalry

Today, the major film studios in the United States compete intensely against each other in the same industry. They are known as the Big Five studios, consisting of Universal Pictures, Paramount Pictures, Columbia Pictures, Warner Bros. Pictures, and Walt Disney Pictures, home of the Star Wars film franchise. While Walt Disney Pictures has gained considerable assets by acquiring 21st Century Fox in 2019, the competition remains fierce considering some factors.

Films are diverse enough to have their own values, which lessens the rivalry between film studios. However, each film competes for the same slot of customer's time and money. Generally, the ticket price in cinemas is fixed, even when they vary between countries and cinema chains. Therefore, when the customer demand is growing slowly or declining, as can be seen with the declining cinema attendance due to the continued rising of film ticket and concession prices, it is not surprising that a healthy portion of those traditional film customers in the cinema has switched to consuming films using online streaming services like Netflix, Disney+, and many others. This is why for quite some time; the Big Five major film studios have been regarded as five diversified media conglomerates as most of them have launched their own online streaming platforms to distribute their films or have made deals with independent online streaming platforms like Netflix to showcase their library of films. Thus, the rivalry of competing films has extended outside the silver screens onto the home screens and beyond.

During the COVID-19 pandemic, Walt Disney Pictures and many other studios experimented with online releases for their new films. First of all, the mandatory closure of cinema chains (and public spaces) worldwide to reduce the spread of the coronavirus early in the pandemic meant that the physical film industry stopped indefinitely. Film productions were stopped mid-production, and new film releases were postponed, causing chaos everywhere. Film customers forced to stay indoors flocked to online streaming services, mainly Netflix. Then, as healthy safety factors were still a considerable concern, filmmakers started releasing their new films online, which was met with a generally positive response from the customers. Walt Disney Pictures, for instance, experimented with releasing *Black Widow* (2021), part of the Marvel Cinematic Universe franchise, simultaneously in cinemas and on their Disney+ as video on demand for \$30. They have also tried a 45-day exclusive cinema release for *Shang-Chi and the Legend of the Ten Rings* (2021), which was then made available on Disney+ after that 45-day exclusivity to much success.

The shift in the distribution of films in the industry is vital to take note of because, at the end of the day, online streaming will only continue to evolve. While film studios have not necessarily offered specifics on their revenue during their experimentations, they seem to have liked the results enough to continue releasing films online.

Threat of Rivalry: LOW

Threat from potential new entrants

The film industry worldwide has existed for a long time. It has been evolving for roughly more than a century. Since then, the Big Five studios have emerged to dominate the domestic and global box office, creating barriers for new competitors along the way.

When analyzing the threat of new entries in the film industry, there are several different barriers that new companies must overcome. Traditionally, filmmaking requires a considerable capital

investment due to the high production, marketing, and distribution costs. However, the advancement of technology in filmmaking and film distribution over the decades offers a sliver of threat from new entries as today; anyone can make a film using their smartphones, edit the film independently and post their film on YouTube, resulting in a nearly-zero cost of film production and distribution. While it is true that independent filmmaking has been making huge strides in the industry and have enjoyed its own successes in many film festivals, launching its status in the film industry, it is hard to argue that these new entries are threats to film franchises like Star Wars as some distribution channels like the cinema or Netflix, unlike the free YouTube, have high requirements for new entrants to be able to join them.

The critical components of a film franchise like Star Wars are brand recognition and film quality. As an established company and one of the Big Five, Walt Disney Pictures has the capital to develop and distribute a high-quality science fiction film like the next Star Wars film. When competing with a well-known brand of a movie like Star Wars, a relatively new Intellectual Property in the science fiction genre would struggle heavily. The production budget of previous Star Wars films has been thus far (Navarro, J. G., 2022):

- a. Star Wars Episode IV: A New Hope (1977) \$11m
- b. Star Wars Episode V: The Empire Strikes Back (1980) \$18m
- c. Star Wars Episode VI: Return of the Jedi (1983) \$32.5m
- d. Star Wars Episode I: The Phantom Menace (1999) \$115m
- e. Star Wars Episode II: Attack of the Clones (2002) \$115m
- f. Star Wars Episode III: Revenge of the Sith (2005) \$113m
- g. Star Wars Episode VII: The Force Awakens (2015) \$245m
- h. Star Wars Episode VIII: The Last Jedi (2017) \$317m
- i. Star Wars Episode IX: The Rise of Skywalker (2019) \$275m
- j. Rogue One: A Star Wars Story (2016) \$200m
- k. Solo: A Star Wars Story (2018) \$275m

As we can see, apart from the Original Trilogy films, which each cost less than \$100m to make, every Star Wars film from the Prequel Trilogy has cost more than \$100m to make. Going further, each Star Wars film from the Sequel Trilogy has had a production cost of more than \$200m. These considerably high production costs reflect the Star Wars films' quality. Taking into account that Star Wars filmmaking has certain cost advantages, such as owning its own filming studios, camera equipment, and post-production studios, not to mention having professional film crews and employees at their disposal to make sure their production standards are met.

In general, there are many levels in the film industry, and the higher level a new entrant aims for, the more barriers they have to overcome.

Threat of Potential New Entrants: LOW

Threat from substitutes

In theory, the film industry is unique in the sense that film as a product is, in and of itself, a creative product. As a result, no two films can be exactly the same. While two adaptations of a story can share similar qualities, as a rule of thumb, because filmmaking is a complex creative process from pre-production, production, and post-production to marketing and distribution, both films will have taken different approaches. They will end up as two different products.

This barrier is especially true for film franchises where a single entity owns each Intellectual Property or IP. Other film studios cannot legally make a Star Wars film because they do not own the IP to Star Wars. Walt Disney Pictures own the sole rights to produce and distribute Star Wars films. Therefore, when considering the competition from substitutes, this competition becomes irrelevant as there is no competition.

Unfortunately, in practice, this theory does not work as flawlessly because every film, when released, is a substitute for each other in the film industry, not to mention outside of the industry when considering other entertainment industry sectors. When looking for entertainment, a customer can decide to go to the cinema for a film or go to one of the many different forms of entertainment like a musical, a theatrical performance, a music concert, and many more. Film as a form of entertainment is already competing with other suitable entertainment substitutes, readily available, like home cinema, YouTube videos, video games, podcasts, and Spotify, to name a few. Albeit one can argue that the experience and quality of these forms of entertainment are subjective to each customer, the same can

be said when considering the price customers have to pay to enjoy such entertainment. In a world where live concert tickets can be considerably more expensive than a film ticket, a subscription to a streaming platform is substantially less costly than a film ticket.

Once a customer has chosen to go to the cinema, said customer then has to choose between the films available to them. In this sense, any other movie available in that cinema will have become a substitute for competition with a Star Wars film. The price of tickets in the cinema is the same within that cinema unless compared to special tickets like 3D films or 4DX films, etc. This is why, technically, there will never exist a substitute for the new Star Wars film. However, there will always be substitute films for customers when they decide that the new Star Wars film is not worth their money. Therefore, it is essential for the Star Wars film franchise to maintain and expand its customers or, in other words, maintain and expand its fanbase.

Threat of Substitutes: MEDIUM.

Bargaining power of suppliers

The film industry has peculiar bargaining power over suppliers. Because of the nature of entertainment, actors are considered as suppliers. They are taken into account to achieve success in film franchises. By casting A-list actors, a film franchise like Star Wars is guaranteed a certain degree of success because certain actors attract certain customers. The more focus on quality a Star Wars film wants to deliver, the less price-sensitive Walt Disney Pictures becomes as they are willing to pay a higher fee for having certain actors in their films.

As the film industry is not considered a new industry, certain standards have been established over the years, such as the rules and salaries fixed by unions in the United States, which takes away the bargaining power of film production and distribution to some extent but seeing as Star Wars is a household name and Walt Disney Pictures is one of the Big Five studios, there may be some bargaining power for vendors that provide Audio and Special Effects.

Bargaining Power of Suppliers: LOW

Bargaining power of buyers

The most competitive pressure for the Star Wars film franchise and the film industry comes from the bargaining power of buyers, as customers are price-sensitive. Even before the pandemic, the cinema was already suffering from declining ticket sales. Record box office revenues due to the increase in ticket prices cannot forever sustain cinema ticket sales. The higher ticket prices get, the fewer customers can afford them. Eventually, going to the cinema to see a film might equate to going to Broadway to see a musical.

At any given time, several films compete for customers in a cinema. Under-performing films will eventually be taken down to make way for other films for more revenue. Star Wars is an established film franchise well-known by audiences worldwide. Even the franchise's least popular Star Wars film was screened for weeks and months in the cinemas. Like any other buyer, the Star Wars customers have relative bargaining power in the film industry. What the customer thinks and says about a film can influence an entire franchise. The taste of a generation has always shaped popular culture. Therefore, Star Wars films must adapt to the taste of the audience. When the Star Wars filmgoer tires of the same cliché in the franchise, it will show in ticket sales and box office revenue. It is then up to the film studio to be willing to change to get more audience.

In particular, the customers of the Original Trilogy of Star Wars films (released between 1977-1983) compared to customers of the Sequel Trilogy and Standalone Star Wars films (released between 2015-2019) have over 30 years of an age difference. Today's film audience is entirely different from those in the late 70s and early 80s. They have different beliefs and priorities, reflected in their attitude as customers. While some might argue that the Original Trilogy of Star Wars films has appealed to most fans then, it does not necessarily mean that the film formula used back then will appeal to the Star Wars fans of today. In retrospect, the Star Wars films of today may not appease a majority of the older fans.

There are no switching costs for customers of the Star Wars film franchise, as they can easily opt to watch another film in the cinema when for example, they have been influenced by bad film reviews. The Star Wars fans have not always been as diverse as they are today, but recent Star Wars films, have been divisive among the fanbase, and the next Star Wars film must take this into account. Star Wars fans would go to the cinema on the first day release of a new Star Wars film but imperatively because the Star Wars films franchise, as with other films, can no longer rely solely on the domestic film market. They must also compete globally to gain more customers.

Bargaining Power of Buyers: MEDIUM Competitor Analysis

As far as film franchise competitors, the Star Wars film franchise is ranked second only to the Marvel Cinematic Universe film franchise, a super hero film franchise currently ranked as the world's number one movie franchise. Like the Star Wars film franchise, Marvel Cinematic Universe film franchise is also owned by Disney. The next ranked franchise not owned by Disney is the James Bond film franchise, a spy/action film franchise, which is a completely different genre than that of Star Wars. Therefore, there does not currently exist, a film franchise that can be considered a competition to the Star Wars film franchise (Source: <https://www.the-numbers.com/movies/franchises>).

Expert and Customer Analysis

In a recent first-of-its-kind study published in November 2021 by the Quorum, Cultique, and Fanthropology (thequorum.com, 2021), they concluded from a survey of 2,500 pre-pandemic cinema-goers that three factors that have been keeping them from returning to the cinemas: price sensitivity, low experiential value, and safety concerns. While safety concerns in the cinema are a relatively new factor for cinema-goers to consider due to the ongoing COVID-19 pandemic, the other two factors, price sensitivity (ticket and concession prices) and low experiential value (cinema, screen, and sound screen quality) have been causing a decline in cinema attendance in the United States for years now.

To determine the size of the sample (n) of Indonesian cinema-goers, the Slovin formula was used. From Figure 2.13., the theatrical performance of the Indonesia Box Office for the film Star Wars Episode IX: The Rise of Skywalker (2019). The number of tickets sold was considered as an N value of population, and the expected error of margin (e) was expected to be 10%. By averaging the price of film tickets to \$5 per ticket, this gives the ticket attendance to $\approx 1.194.000$ as N. Using the Slovin formula $n = N / (1+N\epsilon^2)$, the required minimum sample is equal to $1.194.000 / (1+1.194.000 \times 0.12)$ or 99.99 (≈ 100) respondents. The survey managed to obtain 166 respondents, leading to a lower error margin of 7.75%.



Theatrical Performance (US\$)	
Indonesia Box Office	\$5,969,857 Details
Worldwide Box Office	\$1,072,848,487 Details
Home Market Performance	
North America DVD Sales	\$16,640,488 Details
North America Blu-ray Sales	\$51,411,191 Details
Total North America Video Sales	\$68,051,679
Further financial details...	

Figure 6 Indonesia Box Office of Star Wars Episode IX: The Rise of Skywalker

Source: [https://www.the-numbers.com/movie/Star-Wars-The-Rise-of-Skywalker-\(2019\)/Indonesia#tab=summary](https://www.the-numbers.com/movie/Star-Wars-The-Rise-of-Skywalker-(2019)/Indonesia#tab=summary)

Discussion

SWOT Analysis

Strength

Strong Intellectual Property and brand recognition – Star Wars is already an established brand, going strong since 1977. Even if someone is not familiar with the Star Wars films, they most likely have an awareness of the Star Wars brand. Under the even more well-known Walt Disney brand, which has existed for more than 90 years in the United States and has established worldwide recognition due to the various Disney Theme Park resorts worldwide and other films produced by Walt Disney Studios.

Hardcore fans and nostalgia – The Star Wars fanbase is small. Still, they are nostalgic and, compared to other fans, can be considered hardcore fans if we compare them, for instance, to fans of a different franchise like the Marvel Cinematic Universe. The majority of the MCU fanbase might not necessarily be Marvel comic book readers or collectors. Only a minority engage in costume play. However, a Star Wars live and breathe Star Wars. They join costume communities and lightsaber play

communities. They devour every bit of Star Wars media they can get and collect many Star Wars merchandise and memorabilia.

Diversified Media, Merchandise, and Services (Ecosystem supported by Disney) – As mentioned, the Star Wars film franchise can be seen as an ecosystem that has been funded entirely by Disney. Even before Disney acquired Lucasfilms, there were already Star Wars-themed rides at Disney Theme Parks. There is also a diverse Star Wars portfolio on Disney's many media outlets like the television and print. Not to mention all the merchandise made from the franchise that is aimed at every age group.

Weakness

Relatively small fanbase – The Star Wars fanbase is small. Disney has been struggling to increase the fanbase of the film franchise. This is due to the gap between films from the Original Trilogy all the way to the Sequel Trilogy and stand-alone films.

Heavy dependence on fanbase – There is a lacking sense of urgency within the Star Wars film franchise to regenerate fans and expand the fanbase. The majority of the Star Wars film market has been within the United States. It was not until the Prequel Trilogy and the Sequel Trilogy that the film market started to expand to the global film market. So, there is a difference between a Star Wars fan from the United States and a Star Wars fan from Indonesia. Inherently, Star Wars fans from the United States are more hardcore than fans from Indonesia.

Gap between generations of fans – The gap between the generations of fans has also caused friction between the fans. A Star Wars fan from 1977 is usually more invested in the film franchise than someone whose first Star Wars film was *Star Wars: The Force Awakens* (2015).

Lack of promotion and marketing – Unless there is a new film, the Star Wars film franchise lacks advertising and marketing. Based on data, it is harder to promote and market a new Star Wars film in China instead of Indonesia. In retrospect, it is harder to promote and market a new Star Wars film in Indonesia than in Japan.

Allegation of racism and negative publicity – In the past couple of years, the Star Wars film franchise has suffered from allegations of racism and received negative publicity.

Fan fatigue – The fans, especially newer fans, want to see new characters and storylines.

Opportunities

Growth of film industry in emerging markets (Asia) – The healthy growth of the film industry in emerging markets such as Asia, and notably Indonesia, is a great opportunity for the Star Wars film franchise to continue pushing Star Wars films as much as they can to gain new fans and expand the Star Wars brand awareness.

Expansion of film production to other countries – There is also a great opportunity for the next Star Wars film to be produced in other countries. Establishing a mutual relationship between film studios and gaining an advantage in a foreign market.

Worldwide Big Names are waiting to collaborate – There is a pool of rising actors and actresses worldwide, already famous within their home countries, that can expand the Star Wars film audience, as we have seen in the Marvel Cinematic Universe. Star Wars have even used Indonesian actors before and would benefit from continuing to do so.

Online streaming service (Disney+) – The Disney+ online streaming service offered by Disney is an amazing gateway to retaining and gaining a new audience. At the moment, every Star Wars film and series made are available on Disney+, and the release of more Star Wars live-action series on the platform further strengthens the fact that the world is embracing this technology. More and more people prefer to stay at home than go to the cinema to watch a new film.

Different genres to explore – The Star Wars film franchise stand to gain a new audience should they breach into other genres besides sci-fi. The Mandalorian live-action series is practically a Western show and is highly popular among the fans, old and new.

Threat

Intense competition in the film industry – The Star Wars film franchise will always have to fight with other films when a new film is released. The appeal of other films of different genres to the cinema-goer is too strong. Data shows that Star Wars films have struggled to stay in the cinema in Indonesia.

Alternative entertainment and technology – As Disney is not a technological company, the advancement of new entertainment technologies are also a threat. People in this century can easily find

alternative entertainment when faced with options. Do I go to the cinema to watch the new Star Wars film? Or do I stay at home and I can be entertained in many different ways through many other devices?

Piracy and hacking – The threat coming from piracy in the film industry is real, especially in developing countries like Indonesia, where the piracy laws lack enforcement. There is also an emerging threat of hackers hacking into online streaming services, taking over their users’ accounts for personal gains.

SWOT Matrix

	STRENGTHS	WEAKNESSES
	<ul style="list-style-type: none"> - Strong Intellectual Property and brand recognition - Hardcore fans and nostalgia - Diversified Media, Merchandise, and Services (Ecosystem supported by Disney) 	<ul style="list-style-type: none"> - Relatively small fanbase - Heavy dependence on the fanbase - Gap between generations of fans - Lack of promotion and marketing - Allegation of racism and negative publicity - Fan fatigue
OPPORTUNITIES	<ul style="list-style-type: none"> - Expand film production and employ talents abroad to strengthen the Intellectual Property and brand recognition further. - Expand marketing of Disney+. By doing so, this makes the Star Wars film franchise accessible in areas that lack cinemas or have high competition in cinemas. - Continue exploring different genres of Star Wars on different media and apply those genres for the next films. 	<ul style="list-style-type: none"> - Create more Star Wars communities worldwide to appease the existing fanbase and grow the relatively small fanbase. - Bridge the gap between generations of fans by tapping into the areas of interest for the new generation, overcoming fan fatigue. - Maintain promotion and marketing on social media - Address every allegation of racism and negative publicity.
THREATS	<ul style="list-style-type: none"> - Better marketing and distribution strategy for the Star Wars film franchise - Embrace alternative entertainment and technology updates. - Push laws enforcement to deal with piracy and hacking. 	<ul style="list-style-type: none"> - Touch base with fans, film audience, and cinemagoers in general. - Create regular campaigns to maintain hype and awareness for the Star Wars films franchise.

Root Cause Analysis (RCA)

Analysis: The official and unofficial fanbase of Star Wars is pivotal in Indonesia. While many Indonesians may know Star Wars, not many people have been converted into fans. One of the main reasons is because of the gap between the films. The Original Trilogy was released between 1977-1983. It was not easily consumed in Indonesia because, at the time, cinema was a luxury, and the number of cinemas in Indonesia was very few. The Prequel Trilogy released between 1999-2005 had a different obstacle. Back then, it was costly for the cinema chains in Indonesia to import and show the films. The Sequel Trilogy finally saw Indonesian screenings between 2015-2019, where for most people, these Star Wars films are something new. As the Star Wars saga is deeply connected with each other, it is not surprising that only a small niche segment of the Indonesian cinema audience has become fans of the Star Wars film franchise.

Star Wars films have always tried to tell new stories through the same themes. Every Star Wars film has revolved around the premise of good versus evil, power struggles between characters, the importance of love and friendship in the face of the adversary, the Hero’s journey from their humble beginnings until they have developed throughout a few films to overcome the forces of evil and finally save the day. It is no wonder that the Star Wars films have appealed to an audience worldwide as these themes, albeit simple. Still, when they are combined with science fiction, cutting-edge special effects, powerful music, and relatable characters, they become an irresistible franchise. However, this results in fan fatigue, where fans are no longer taken by surprise with the new Star Wars films as they fall into the same sci-fi genre trope. Today’s society has also become more diverse. So the usual formula used in a Star Wars film may no longer satisfy its audience.

The problem herein is how can Disney Indonesia familiarize the Indonesian market with the Star Wars film franchise?

Solution: Disney Indonesia needs to work together with the existing fanbase and Key Opinion Leaders to push the Star Wars brand awareness. They need to show the Indonesian market that Star

Wars is nothing new. It has always been there all along. This is helped by the fact that the Star Wars fanbase may be few, but they are a hardcore fanbase that live and breathe Star Wars in their daily lives. Disney needs to embrace these fan communities and engage in more offline and online activities involving the existing fans.

Showing Star Wars films (and other Star Wars products) on Disney+ is the best way to do this. The Disney+ library currently has all the Star Wars films from 1977 available to watch with a subscription. The new television series has also proven to be very popular during the COVID-19 pandemic. It is a digital world now, and online streaming platforms can break the technological and economic barriers that have prevented the expansion of the Star Wars film franchise worldwide.

The new Star Wars television live-action and animation series have helped attract new fans. They have proven that there is a benefit in experimenting and trying something new. As long as there is no long-term damage to the franchise, Star Wars films have much to gain by exploring other genres, telling new stories separate from the Skywalker Saga, and creating new relatable characters so the franchise can gain new market segments. Star Wars can no longer be a male-oriented franchise. It needs to evolve as civilization has evolved through the decades. This does not mean that the franchise needs to abandon nostalgia. There are always ways to give the older fans easter eggs to celebrate old characters and stories

Proposed STP

Based on the in-depth interviews and the responses from the survey conducted for the study, this research was able to investigate and analyze the Segmentation (based on benefits sought by the customers), Targeting (to optimize profits by targeting select segments), and Positioning (primarily directed to customers) of the Star Wars film franchise in Indonesia. By following these steps, a marketing mix strategy can be designed. (Review, H.B. and Silk, A., 2006). The STP marketing model (Segmentation, Targeting, Positioning) in Star Wars film franchise is unique as the market segmentation is wide.

Consumer lifestyle of the Star Wars film market in Indonesia using the lifestyle segmentation tools AIO: Activities, Interests, Opinions, and demographics (Farooq, U., n.d.). These tools, unfortunately, change with time, taste, and situation. Activities and interests of the average Indonesian cinema-goer which include work, hobbies, social events, and many others vary from consumer to consumer. Considering the fact that most cinemas in Indonesia are located in shopping malls, it is safe to say that the Indonesian audiences go to their favorite or nearby malls. This was before the COVID-19 pandemic.

Indonesian consumer lifestyle changes almost instantly, before the pandemic, in the last decade or so Indonesians have begun to actively shop online instead of going to a brick-and-mortar shop in malls. They have also started subscribing to streaming services as they like to keep themselves updated with the latest gadgets and technology (Fitriani, F., n.d.). This is not to say that people have stopped going to shopping malls completely, but there is definitely an increase in online activities as convenience and costs play a bigger role during an economic slump.

The segmentation for Star Wars Film Franchise in Indonesia is shown in the table below, based on the conclusions from the qualitative data of this research:

Table 5 Star Wars Film Franchise Segmentation Variable

Segmentation	Type of Segmentation	Description
Geographics	Country	Indonesia
	City	All
	Density	Urban
Demographic	Age	10-40
	Gender	Unisex
	Occupation	All
	Social Class	Middle Up
	Family Life Cycle	Children, Young to Adult, Families
	Education	All
Psychographics	AIO: Activities, Interest, Opinions	Science Fiction, Films, Books, Comics, Toys, Collecting, Online Shopping

Source: Author Personal Table

Star Wars merchandise, especially the Star Wars toys like action figures and interactive toys such as the lightsaber are popular among the kids in Indonesia. This provides easy access for the franchise to plant the seeds for future Star Wars fans. The children that went to the cinema to see the

Sequel Trilogy in 2015 mimic the children, now adults, that went to see Star Wars for the first time in 1977. The targeting for Star Wars Film Franchise in Indonesia is shown in the table below, based on the conclusions from the qualitative data of this research:

Table 6 Star Wars Film Franchise Targeting Variable



Description	Target Market
Gender	50% Male and 50% Female
Density	Focus on major cities in Indonesia with a big market size
Social Class	Middle Upper with disposable income
Family Life Cycle	Young Adult (15-35) – focus on women and children
Personality	Looking for science fiction entertainment in the form of films Wants something cool and relatable Want a new hobby Want to join communities with like-minded people and make new friends
User Target	Children and child-like adults

Source: Author Personal Table

The diverse characters in the Star Wars universe since Disney’s acquisition is also responsible for characters that appeal to female fans like Rey, the main protagonist of the Sequel Trilogy, the older Princess Leia, and Baby Yoda from *The Mandalorian* (2019) live-action television series. Baby Yoda, in particular, is hugely popular among children, both boys and girls. The key to maintaining and expanding the Star Wars film franchise in Indonesia lies in maintaining and expanding the Star Wars fanbase.

Thus, the Star Wars film franchise needs to position itself as the brand that has the best fanbase among all film franchises because the Star Wars fans are important to the franchise. There are many steps that have been taken by Disney globally to address this. More steps can be taken by Disney Indonesia to show that the fans are important and are essential part of the Star Wars identity. The positioning for Star Wars Film Franchise in Indonesia is shown in the table below, based on the conclusions from the qualitative data of this research:

Table 7 Star Wars Film Franchise Positioning Statement

Positioning Statement				
Star Wars is the best science fiction film franchise because it has the best fanbase.				
				
Description				
For people who seek entertainment, especially Science Fiction, through the media of film, Star Wars offers a universe full of original stories and characters that everyone can relate to as fans.				
The Star Wars fanbase is spread throughout communities worldwide where everyone can share their hobbies and love for Star Wars, and be part of the Star Wars universe.				
				
Target Market	Brand	Frame of Reference	Differentiation	Competitive Edge
New audience who are familiar or unfamiliar with the Star Wars film franchise and want to join the hype for the next Star Wars film	New Star Wars film	Science Fiction Original Fanbase	A new saga and stand-alone films that cater to old and new fans Immersive and hardcore fanbase	Science Fiction filmed with cutting edge technology and world-class actors over a multitude of media output and ecosystem

Source: Author Personal Table

Based on the Segmentation, Targeting, and Positioning for the Star Wars film franchise, and while considering today’s Indonesian consumer lifestyle, this research recommends marketing focus geared towards online content and promotions to reach a wider audience and untouched market segments in

the hope of converting these audience into Star Wars fans and loyal customers of the Star Wars film franchise.

The challenge to maintain and expand the Star Wars film franchise in Indonesia can be tackled by designing a marketing mix that considers the film audience habits that have been affected and shaped anew by the COVID-19 pandemic in anticipation of when the next Star Wars film is released in Indonesia. The Root Cause Analysis determined that the Indonesian market needs to be familiarized with the Star Wars films. Today, the economic and technological barriers can easily be broken as times have changed. The 7Ps of the Star Wars marketing mix can be redefined as follows:

- a. **Product:** Star Wars films (2D, 3D, 4DX, and IMAX).
- b. **Price:** Low ticket prices, low Disney+ fees (subscription and video-on-demand).
- c. **Place:** Cinemas, Disney+ (Home Cinema, mobile phones, and other gadgets).
- d. **Promotion:** Online and Offline Events (fan-screening, charity fundraising).
- e. **People:** Old and new actors, local actors (Yayan Ruhian, Iko Uwais, Cecep Arif Rahman).
- f. **Process:** Purchase film tickets, subscribe to Disney+, watch Star Wars films.
- g. **Physical Evidence:** Star Wars merchandise, posters, installations, communities.

Integrated Marketing Communications (IMC)

Through Integrated Marketing Communications (IMC), the Star Wars film franchise can unify marketing communication elements, such as public relations, social media, audience analytics, business development principles, and advertising, so that the franchise becomes a brand identity that is always consistent across various media channels worldwide (mastersincommunications.com, n.d.).

To analyze and understand the Indonesian consumers and transform them from Star Wars film franchise ignorance to Star Wars fans who advocate the film franchise, the 5A framework is used: Aware, Appeal, Ask, Act, Advocate (dontthinkcheck.co.nz, n.d.). The 5A framework also helps determine the position of the Indonesian consumer (Figure 3.4.).

New Customer Path



Figure 7 The 5As Customer Framework

Source: Kotler, P. Kartajaya H., and Setiawan, I., 2016, *Marketing 4.0: Moving from Traditional to Digital*, Wiley

Aware – The position of Indonesian consumers right now is that they are aware of the Star Wars brand and the Star Wars film franchise. Raising more awareness of this is most effective through social media.

Appeal – The biggest hurdle for the Star Wars film franchise in Indonesia: Star Wars needs to be appealing to the Indonesian public. This can be achieved through influencer marketing as they have proven to help consumers decide their purchases.

Ask – When the consumer's curiosity is high enough, they will seek more information about Star Wars. They can ask these questions and find more information from various sources online and offline like Star Wars websites, brand ambassadors or social media campaign influencers, Key Opinion Leaders from local Star Wars communities and forums.

Act – Once the Indonesian audience is convinced that Star Wars is a film that they would like to see, they can then watch Star Wars films in the cinema or on Disney+.

Advocate – If the audience went through these steps, hopefully, they will be converted into Star Wars fans which means they will advocate the Star Wars film franchise to others in their circles.

Social media penetration in Indonesia is relatively high as they spend a considerable amount of time on online media. With the increasing number of entertainments, in this case, films, it makes it harder for consumers to decide which films to see or which film ticket to purchase when they are faced with

options in the cinema. Indonesian consumers tend to gravitate their decision through recommendations from friends and family or social media influencers (Nurhayati-Wolff, H., 2021). For example, Influencer A shares news about a new Star Wars film or that they are excited for a Star Wars merchandise launched to promote the new film, this will pique the curiosity of their social media followers. Psychologically, when influencers or trustworthy people promote a brand or product, in this case, a film, they establish a conformity effect on their followers, the audience (Donawerth, S., n.d.). In this respect, the most effective social media campaign for the Star Wars film franchise in Indonesia is by collaborating with Indonesian social media personalities that hold authority or power of influence over large Star Wars market segments.

It also helps that there were three Indonesian actors, considered to be heroes in the Indonesian film industry, that were cast in Star Wars Episode VII: The Force Awakens (2015). Yayan Ruhian, Iko Uwais, and Cecep Arif Rahman were pivotal in the domestic box office success of the first film in the Sequel Trilogy (bbc.com, 2015). These three actors also helped establish and raise the Star Wars brand awareness, and introduce the Star Wars film franchise to a new generation of fans in Indonesia.

CONCLUSIONS

This research concludes that the future of the Star Wars film franchise is deeply connected and dependent on its fanbase due to the nature of the Star Wars brand embedding nostalgia within its fans, young and old. Time and time again, the fans have been responsible for some of the best marketing ploys in the industry, like Star Wars Day, “May the *fourth* be with you,” which was organically created by the fans to appreciate and celebrate the Star Wars films.

Star Wars fans continue to create demands for Star Wars films and merchandise. They also organically create new fans by spreading their joy and hobby in Star Wars. Understanding the needs and behaviors of Star Wars fans can help the Star Wars film franchise maintain and expand its market. When a new Star Wars film ignores these needs and behaviors, they risk losing fans and not gaining new fans. The fans who were lucky to have seen the original Star Wars Episode IV: A New Hope (1977) have proven that the brand creates long-lasting fans, breaking generations. Therefore, the franchise must carefully pay attention to the interests of untapped market segments for future Star Wars films.

Indonesian customers watch movies to be entertained but a major reason is so that they are up to date with the current trend as it is important to keep up when socializing with others, especially in a nation where social media plays a big role in a market’s daily life. The Indonesian public is heavily influenced by what they see in social media. When they see their role models or idols talk about something new or indulge in something like the new Star Wars film, their followers will tend to flock and see what all the fuss is about. The next Star Wars film has to take advantage of this market’s habit and implement effective marketing to attract new audience and convert them into long-lasting fans for future Star Wars films.

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