Sony and Local-Language Productions: Conglomerate Hollywood’s Strategy of Flexible Localization for the Global Film Market

by COURTNEY BRANNON DONOGHUE

Abstract: Since the 1990s, Sony Pictures Entertainment’s local-language production unit has coproduced films with local partners outside of the English-language market. This strategy serves as a turning point toward industrywide local specialization and global expansion for conglomerate Hollywood. Based on trade publications, field research, and industry interviews, this article explores the multifaceted nature of Sony’s attempt to operate what I call a “flexible localization strategy” in the Brazilian and Spanish film markets. To adapt to a vastly changing industrial climate, contemporary media conglomerates are reimagining media geographies and localization efforts. These strategies challenge earlier understandings of an all-powerful global Hollywood by revealing internal friction across conflicting institutional priorities, industrial practices, and local cultures of production and management.

In 2007, Sony Pictures Entertainment’s (SPE) chief executive officer (CEO) Michael Lynton wrote an opinion piece for the Wall Street Journal titled “Globalization and Cultural Diversity,” wherein he defended SPE’s growing global operations, which were intent on expanding English-language media and localizing production strategies for international markets. Lynton argued that these “are not signs of Hollywood’s homogenizing effect on the world. They are signs of the world changing the way Hollywood works. It makes sense to marry our production, marketing, and distribution experience with the growing global appetite for entertainment tailor-made by and for a variety of cultures.”¹ In addition to adopting globalization rhetoric, Lynton attempts to spin the criticism of Hollywood studios’ imperialist and homogenizing activities. This promotional piece


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raises the question of how Sony’s production strategies actually operate on a global level. One such strategy—local-language productions—was both a Sony corporate initiative and a larger industrywide experiment inspired by notions of globalization. The way multinational companies like SPE are reimagining media geographies and localization strategies reveals both internal friction between conflicting institutional priorities and the difficulties of managing and integrating various local cultures of production across a transformative industrial climate.

Local-language productions (LLPs) are a fairly recent phenomenon of the conglomerate Hollywood era, during which cross-media and cross-company convergence as well as increased importance of international markets have shaped the post-1989 period. Much industrial and scholarly attention has been given to the global performance and production cultures surrounding multiplatform tentpole pictures and the increased “indiewoodization” of American independent cinema. Yet the simultaneous global expansion and local specialization across various conglomerate film divisions are typically limited to the production and circulation of English-language content. Larger processes of globalization, conglomeration, and convergence are increasingly reshaping studios’ operations outside the Anglophone market in different ways. Industrial structures and internal processes have been reimagined in recent decades in a race to capture growing global audiences. International markets (Europe, Latin America, and Asia) now outearn the North American domestic market by two to one for the major studios. Industrywide notions of a “biz without borders” that collapses geographical film markets circulate as media conglomerates restructure international operations and their positions in local markets. The local-language production represents an industrywide experiment in systematic localization across the global film market. This strategy serves as a turning point in studio efforts toward local specialization and global expansion beyond the Anglophone market.

What results is an aggressive and pioneering localization strategy that has become an industry standard for the majority of Hollywood studios. The LLP strategy illustrates Sony and its peers’ increasing reliance on a global marketplace beyond the


United States and English-language regions. Yet as this article illustrates, each studio approaches LLPs differently, and with mixed results. In turn, local production units serve as one of the most distinct, and least analyzed, elements of contemporary international operations. On the one hand, this discussion of SPE’s local productions builds on media industry traditions grounded in political and economic questions of ownership, capital, and distribution monopolies; work by Janet Wasko, Toby Miller, and Douglas Gomery typifies this approach. On the other hand, I am interested less in retreading this territory of Hollywood as all-powerful, capital driven, and organized. Instead, I consider how media-conglomerate reactions, like Sony’s, to the localization of media production complicate a monolithic understanding of Hollywood. In other words, how do these practices reflect a more multi-layered understanding of these companies which Henry Jenkins claims are unorganized, dysfunctional families, or more appropriately what Michael Curtin describes as a product of conflicting institutional priorities.

Instead of the traditional model treating markets such as Latin America, Europe, and Asia as merely extensions of the domestic North American market and distributing the same English-language content, SPE actively began a strategy of coproducing and distributing motion pictures and television programs specifically for regional and local audiences. As Sony found early success by participating in films like Ang Lee’s *Crouching Tiger, Hidden Dragon* (Taiwan, Hong Kong, United States, and China, 2000) and Hector Babenco’s *Carandiru* (Brazil, Argentina, and Italy, 2003), other studios followed by developing their own local production strategies. Sometimes successful with local audiences, and many more times not, local-language films are coproductions between Hollywood studios and local producers in the European, Asian, and Latin American markets. While coproductions between Hollywood studios and local players are not a new phenomenon, many of the earlier efforts were one-off productions rather than the specialized market-by-market and multipicture strategies that have developed since the 1990s. This current approach is particularly indicative of the need and capacity of studios like Sony, Twentieth Century Fox, Warner Bros., Universal, and Disney to attempt to understand what globalization means for the production, distribution, and reception of media content worldwide. The story of how these companies negotiate LLPs reflects a changing global media climate and their positions within it.

6 Sony Pictures Entertainment is the filmed entertainment division of the Sony Corporation. Throughout this article, I identify different groups and companies both in the United States and internationally. Unless otherwise stated, Sony used alone denotes SPE and Columbia refers to local production units outside of the United States and housed within SPE’s Columbia TriStar Motion Picture Group.


Based on trade publications, field research, and industry interviews across Brazil and Europe, this article explores the multifaceted nature of LLPs from three perspectives. First, I define the production strategy as an industrywide model developed differently among Sony, Warner Bros., Twentieth Century Fox, Universal, and Disney. The next section explores Sony’s overall LLP trajectory, from its emergence in the late 1990s to the consolidation and scaling back that had occurred by 2007. Finally, I offer two country-specific case studies—Brazil and Spain—as a success and a failure, respectively. Sony’s LLP history is an attempt to operate what I call flexible localization, or a market-by-market, manager-based system that responds to local market conditions. Yet what has emerged is a reactionary, short-term approach that has been largely unsustainable and has failed in many territories. Overall, SPE’s LLP strategy functions as a case study of the uneven and inflexible localization and “conflicting interests” within global expansion, characteristic of the conglomerate Hollywood era.

**Biz without Borders? A Cinema beyond Hollywood.** In 2010, *Chico Xavier* (Daniel Filho) and *Nosso lar* (Astral City: A Spiritual Journey, Wagner de Assis) became two of the highest-grossing films in the history of Brazilian cinema. While the former was based on the life of the nation’s most famous and controversial medium, the latter was an adaptation of Xavier’s novelized conversations with spirits from the “other side.” Rooted in particular Brazilian nordeste (northeastern) and religious cultures, the films touched on the espiritismo (spiritism) movement, as well as larger aspects of regional cultures. In addition to their production by the local companies Lereby and Migdal, as well as the participation of Brazil’s media conglomerate Globo, Hollywood studios coproduced and distributed the films locally. Sony’s involvement in *Chico Xavier* and Fox International Productions’ participation in *Nosso lar* point not only to a cycle of highly popular Brazilian blockbusters but also to products of each studio’s LLP strategy.

Deborah Schindler, Sony’s former head of international production (from 2008 to 2010), described the current industrial climate as “a changing universe. . . . [T]here’s a world beyond Hollywood for the film business.” The challenge for the studios was figuring out how to approach this changing film universe. As one former Sony executive suggested, there was potentially money to be made in local filmmaking, if only the studios could figure out the best model, particularly since international markets beyond the United States are now the dominant profit center. Since the

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10 Based on the framework of Timothy Havens, Amanda D. Lotz, and Serra Tinic’s “critical media industries approach,” my midlevel research focuses on the media professionals such as producers and management making the day-to-day production decisions and negotiating relationships with their corporate executives and creative partners. I spoke with elite and well-connected film professionals, including local managers at Sony, Warner Bros., and Paramount; independent producers and independent distributors; and directors of the national and regional film agencies and commissions. Timothy Havens, Amanda D. Lotz, and Serra Tinic, “Critical Media Industry Studies: A Research Approach,” *Communication, Culture and Critique* 2 (2009): 234–253.

