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CRITERIA FOR THE EVALUATION OF INNOVATIVENESS OF INDEPENDENT FILM PRODUCTION COMPANY IN THE PERSPECTIVE OF CREATIVITY

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Abstract. This study aims to identify the criteria for evaluating the innovativeness of an independent film production company in the European film market. Innovativeness of a company consists of inputs to innovation and outputs from innovation. It reveals a company's potential to implement innovations, which are often sources of competitive advantage.

The empirical study involved 29 experts from the European film industry and film production companies. Experts were asked to evaluate 60 criteria in total. The survey results suggest that a company's innovativeness can currently be evaluated by 51 criteria, of which 15 are the most important. The criteria identified for evaluating a company's innovativeness are ranked in order of importance for determining a company's innovativeness. The results obtained allow us to evaluate the innovativeness of a company by comparing independent film production companies with one another in the European film market and thus to determine which company is more innovative. It also makes possible new hypotheses to be raised, analysed and tested. It should be noted that the article was written based on a dissertation in progress.

Keywords: company innovativeness, creativity, evaluation of innovativeness, film production, independent film production company, innovation, innovativeness.

Introduction

As with all other businesses, the film business relies on making money. However, that is where the comparison with other businesses ends. In this business, millions can be invested in the creation of a single product without a guarantee that the public will buy it (Squire, 2017). Above all, the film industry creates art as its product. It should be noted that for film production companies, it is not only essential to generate direct economic value but also artistic and educational value. Depending on the company's objectives and the audiovisual media policy of the country, for instance, certain films may convey ideological and political issues.

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It should be emphasized that not every film reaches the production stage after development. In this case, these situations can be compared to start-up companies. According to Finney (2008), film production, which is mostly not part of the Hollywood system, is fragmented and poorly structured, making it even more complex. It must therefore be assumed that independent European film production companies need to pay more attention to company innovativeness to develop their business, grow their company and become more established in the film industry.

Researchers and practitioners agree that innovativeness is a fundamental aspect of business growth, performance and, finally, business success (Handrich et al., 2015). A company's innovativeness refers to the company's receptivity, the tendency to adopt experimentation processes, new ideas that stimulate the creation, development, adaptation of new products, processes, and business systems (Rubera & Kirca, 2012; Hügel, 2019; Knowles et al., 2008; Salavou, 2004).

A company's innovativeness consists of a set of criteria for evaluating inputs to innovation and outputs and outcomes. However, according to Carayannis and Provance (2008), output indicators reflect the implementation and success of innovative activities in the short term. Outcome indicators reflect the implementation and success of innovative activity in the long or medium term. However, what concerns the film production companies and the films produced requires further research to determine output and outcome individually. For the purposes of this paper, it is not appropriate to distinguish between output and outcome separately, so output and outcome are combined and the term output is applied. It also ignores the process of implementation, which is directly and indirectly reflected in the output compared to the input. Therefore, it is assumed that to predict whether a company will innovate in the future or whether new products/services will be introduced, the input to innovation must also be assessed.

It should be noted that business innovation is a new/improved product/service or business process (or a combination thereof) that is significantly different from the company's previous products/services or business processes and is released to the market or has been implemented by the company (Organisation for Economic Co-Operation and Development, European Statistical Office, 2018). A film (not episodes of series) can be an innovation in a company, industry, and market, even when films are based on a purchased franchise (film script, *etc.*) or series (each episode is not a stand-alone innovation but is a continuous product, and the whole series is considered to be an innovation). However, for example, suppose a script of a successful film is bought and localized to another domestic market. In that case, the novelty of the innovation is evaluated concerning the particular company and/or domestic market. In terms of the industry as a whole, obviously, there will be no innovation. Product innovation is evaluated by comparing the level of novelty.

The study aim is to identify the criteria for evaluating the innovativeness of an independent film production company. This paper presents the results of a theoretical and empirical study. It should be noted that the established criteria of innovativeness of film production companies allow for more detailed research, to raise new hypotheses concerning the film industry and to evaluate the innovativeness of independent film production companies on the market, *i.e.*, comparing the companies with each other according to the established criteria

of the company's innovativeness evaluation which company achieves better results. As far as practical implications are concerned, independent film production companies can improve their company's position in the film market based on the results of the study. Guidelines were developed which indicate what is very important and partly important for a company to be innovative. Sometimes company managers focus only on the production of a single film (*e.g.* the financial aspects); thus, this research allows them to look beyond the introduction of innovation and the company as a whole. For instance, the study shows that it is vital for a company to focus on international film markets. Thus, the company's board/managers can consider this when reviewing its current business model and developing a new model or improving it. The results may also provide some incentive for companies to develop and implement various new innovations to the film industry. Based on the criteria identified, the company takes stock of its current situation and sets new objectives and priorities (which activities and areas of the company need improvement, *etc.*).

1. Criteria for evaluating a company's innovativeness

In order to determine a company's innovativeness, it is necessary to identify the main components of input to innovation and innovation output that allow the company's innovativeness to be measured. It should be noted that a film production company can be partially categorised under manufacturing and service sectors (with regard to the business model used) and having analysed company's innovativeness criteria to apply them to the film sector.

A review of recent literature has been carried out to analyse the measures and indicators for evaluating innovativeness, a company's innovativeness, and innovation in the manufacturing and service sectors. Not all authors classify innovation into input innovation and/or output innovation; however, this paper classifies them (Table 1). According to Taques et al. (2021), input innovation reflects a company's innovation efforts, such as allocating human capital. Innovation output indicators can measure different aspects of innovation performance. This paper includes scientific literature reviewed by other authors, and also includes additional scientific literature and business theory and practises literature. It should be noted that some authors (*e.g.* Taques et al., 2021) identify intermediary indicators that share standard features, such as the availability of information and the maximum comprehensiveness of the types of innovation. The indicators relating to patents and trademarks are distinguished in Table 1 as part of innovation output evaluation.

Table 1. Criteria for the evaluation of innovativeness of company (source: created by author)

No.	Author	Input to innovation	Innovation output
1.	Povilaitis and Čiburienė, 2008	Funding; Risk-taking principles; Reimbursement; Means.	– Patents; – New products, services or solutions; – Increase in sales; – Position in the market or on the valuation scale; – Customer understanding.

Continue of Table 1

No.	Author	Input to innovation	Innovation output
2.	Carayannis and Provance, 2008	– Sales share of research and development (R&D) expenditures; – Sales share of internal venture capital; – Average training days; – Top management working time on innovation.	– Novelty to the company; – Novelty to the industry (national); – Novelty to the industry (international); – Innovation sets a new standard in the industry; – Innovation cannot be imitated; – Innovation sales expected in the last three years; – Sales share of innovations of the past three years; – Innovation's share of profits in the last three years; – Number of patents in the last three years.
3.	Andrew and Sirkin, 2006	– Initial costs (pre-launch investment); – Speed of innovation (time to market); – Innovation volume; – Support costs (post-launch investment).	
4.	ter Haar, 2018	– Personnel costs; – Number of ideas; – Employee training costs; – Quality of ideas; – Employee work experience.	– Number of patents; – Number of new products; – Average cost per patent; – Sales increases; – Growth in profits; – Product improvements; – Customer satisfaction; – Fundamental research results.
5.	ter Haar, 2018	– R&D productivity: potential productivity and technology development efficiency; – R&D yield: potential yield and operating efficiency.	
6.	Brown, 2013	– Market research, data; – Means; – Equipment and resources; – Creative, talented people; – Customer feedback.	– Number of sales of new products or services; – Percentage market share of new products or services; – Growth in revenues from new products, services; – Number of new products or services launches; – Profit size or percentage from new products, services; – Innovation premium. Company's valuations increase based on investors either purchasing stocks or increase valuations based on innovations or future innovativeness potential: – Patents; – Publications; – Prototypes; – New technologies; – Grant applications; – How many times a company has been the first in the industry to include a particular feature of its product or service; – New versions of older products; – Number of new customers.

Continue of Table 1

No.	Author	Input to innovation	Innovation output
7.	Phan, 2013		– New products in the last three years: new for the industry, new for the company; – Number of awards for innovation in the last three years: number of awards, number of honors; – Number of patents in the last three years: patents filed, patents granted, patents cited; – Revenue from new products in the last three years; – Number of publications in the last three years: papers in scientific publications, papers presented, citations; – Market share of new products in the last three years.
8.	Tidd et al., 2006	– Investment in training; – Recruitment of skilled workers; – R&D; – Technology base, competences; – Number of new ideas; – "Creative climate".	– Patents; – New products; – Process elements (*e.g.*, customer satisfaction, quality improvement); – Growth in revenue; – Scientific publications; – Growth in market share; – Product price comparisons between companies, within a business sector; – Higher added value; – Percentage of sales.
9.	Handrich et al., 2015	- R&D expenditure.	– Number of patents; – Number of patent citation; – Net income; – Company size (number of employees); – Company age (innovation experience); – Sales.
10.	Siddiquee et al., 2015	– R&D capability: intensity, expenditure, intellectual knowledge management, role of leadership innovation, skill and expertise, innovativeness compatibility, assessment on technology trends, internal and external knowledge sharing ability, innovation strategies and initiatives, project management and controlling; – Manufacturing capability: product cycle time, product quality level, production staff quality level, advanced manufacturing technology, rate of adoption of new technology to support innovation; – Organizational capability: organization culture and structure, capital allocation and fundraising ability.	– R&D capability: novelty and uniqueness of innovation, rate of new product/services per year; – Marketing capability: market characteristics, product promotion and pricing strategy, degree of market competition, commercialization success rate; – Organizational capability: return on investment and payback period, turnover generated by the innovative product.

Continue of Table 1

No.	Author	Input to innovation	Innovation output
11.	Alegre & Pasamar, 2018	– R&D budget; – Knowledge (staff skills, education); – Work–life balance programme.	– Patents; – Number of new products.
12.	Taques et al., 2021	– R&D expenses; – Non-R&D expenditure on external innovation (equipment, software, non-patented invention purchase, patent and license acquisition); – Employees with higher education; – Training to develop skills; – Quantity of non-technological change; – Quantity of knowledge sources; – Lack of customer responsiveness; – Expenses on information and communications technology; – Lack of appropriate sources of funding.	– Patent publication; – Patent requests; – Patent application; – Number of trademarks; – Number of trademarks applied; – Number of designs applied; – Sales of innovative or imitated products; – New product announcement; – Protection of innovation during the research period (copyrights, patents, *etc.*).
13.	Hügel, 2019	– Strategic level. For example, a company always tries to be first on the market with a new product/service. At least one person in the top management supports new ideas. The top management consults with the staff responsible for research, innovation or business development when making strategic decisions; – Level of behaviour. For example, a company is keen to try out new ways of doing things and encourages employees to think and behave innovatively; – Structural level. It is revealed through inter-departmental cooperation and the use of temporary working groups; – Procedural level. This level is manifested through new ideas and their implementation so that employees are	

End of Table 1

No.	Author	Input to innovation	Innovation output
		able to make their own decisions, be flexible and follow a few simple rules. "Minimal critical rules" is a procedural level framework; – Transformational level. Within the company, employees have the opportunity to use the information and new knowledge they have gathered, successfully link existing knowledge to new insights, *etc.*	

When analysing the scientific literature (Table 1), it can be observed that the indicators identified by the authors can be classified according to their standard features (Table 2). For instance, the research and development (R&D) budget, staff costs, staff training costs, *etc.* reflect financial indicators, so the sub-criterion "structure of financial expenditure" is identified. Indicators (hereafter referred to as components) which cannot be grouped into larger sub-criteria based on common features are classified under the sub-criterion "general". It should be noted that the input to innovation and the innovation output are the main criteria for evaluating a company's innovativeness and that the sub-criteria of components are used to classify their components. It is noteworthy that Table 2 calculates the frequency of the components extracted, *i.e.* the repetition of the statements (*e.g.* "strategic level" is mentioned only once), based on the data in Table 1.

The analysis of the input to innovation evaluation criteria identifies five sub-criteria: general, structure of financial expenditure, capabilities, technology/equipment/means, and research (Table 2). A total of 49 components, 42 of which are unique because they are mentioned only once. The analysis of the criteria for evaluating innovation output includes four sub-criteria: general, revenue structure, company, and market position (Table 2). There are 73 components in total, 65 of which are unique. However, it is noticeable that the academic literature tends to focus more on the manufacturing sector and product innovation or to calculate an aggregate innovation index measured at the country level. The aggregate innovation index, according to Vveinhardt and Kuklytė (2016), is used to measure the level of innovation in the countries of the European Union (EU) in terms of human resources, financial support, company performance, output, and economic effects. It can be assumed that indicators such as activity, output and human resources can be included in the evaluation of a company's innovativeness.

Table 2. Sub-criteria for evaluating a company's innovativeness (source: created by the author based on Povilaitis & Čiburienė, 2008; Carayannis & Provance, 2008; ter Haar, 2018; Brown, 2013; Phan, 2013; Tidd et al., 2006; Siddiquee et al., 2015; Andrew & Sirkin, 2006; Taques et al., 2021; Handrich et al., 2015; Alegre & Pasamar, 2018; Hügel, 2019)

Input to innovation evaluation sub-criteria	Frequency	Innovation output evaluation sub-criteria	Frequency
General	**12**	**General**	**40**
– "Creative climate"	1	– Patents	4
– Work-life balance programme	1	– Number of patents	2
– Structural level	1	– Number of patents in the last three years	1
– Procedural level	1	– Number of patents in the last three years:	1
– Strategic level	1	patents filed, patents granted, patent cited	
– Risk-taking principles	1	– Number of patent citation	1
– Sales share of internal venture capital	1	– Patent publication	1
		– Patent requests	1
– Speed of innovation (time to market)	1	– Patent application	1
		– Number of trademarks	1
– Innovation volume	1	– Number of trademarks applied	1
– Top management working time on innovation	1	– Number of design applied	1
		– New products, services or solutions	1
– Manufacturing capability: product cycle time, product quality level, production staff quality level, advanced manufacturing technology, rate of adoption of new technology to support innovation	1	– New products in the last three years: new for the industry, new for the company	1
		– New products	1
		– Number of new products	2
		– Novelty to the company	1
		– Novelty to the industry (national)	1
– Organizational capability: organization culture and structure, capital allocation and fundraising ability	1	– Novelty to the industry (international)	1
		– Innovation sets a new standard in the industry	1
		– Innovation cannot be imitated	1
Structure of financial expenditure	**15**	– Product improvements	1
– Funding	1	– Quantity of non-technological change	1
– Reimbursements	1	– New product announcement	1
– Research and development (R&D) budget	1	– Protection of innovation during the research period (copyrights, patents, *etc.*)	1
– R&D expenditure	3	– New version of older products	1
– Personnel costs	1	– How many times a company has been the	1
– Employee training costs	1	first in the industry to include a particular	
– Investment in training	1	feature of its product or service	
– Initial costs (pre-launch investment)	1	– Publications	1
		– Scientific publications	1
– Support costs (post-launch investment)	1	– Number of publications in the last three years: papers in scientific publications,	1
– Expenses on information and communications technology	1	citations, papers presented	
		– Prototypes	1
– Non-R&D expenditure on external innovation	1	– New technologies	1
		– Number of awards for innovation in the	1
– Lack of appropriate sources of funding	1	last three years: number of awards, number of honors	
– Sales share of R&D expenditures	1	– Fundamental research results	1
		– R&D capability: novelty and uniqueness of innovation, rate of new product/services per year	1
		– Number of new products or services launches	1

End of Table 2

Input to innovation evaluation sub-criteria	Frequency	Innovation output evaluation sub-criteria	Frequency
Capabilities	**13**	**Revenue structure**	**20**
– Average training days	1	– Sales increases	1
– Training to develop skills	1	– Percentage of sales	1
– Number of new ideas	2	– Innovation sales expected in the last three years	1
– Quality of ideas	1		
– Employee work experience	1	– Innovation's share of profits in the last three years	1
– Creative, talented people	1		
– Recruitment of skilled workers	1	– Average cost per patent	1
– Knowledge	1	– Number of sales of new products or services	1
– Employees with higher education	1		
– Transformational level	1	– Growth in profits	1
– Level of behaviour	1	– Growth in revenues from new products, services	1
– Quantity of knowledge sources	1		
Technology/Equipment/Means	**4**	– Profit size or percentage from new products, services	1
– Means	2		
– Equipment and resources	1	– Grant applications	1
– Technological base, competence	1	– Growth in revenue	1
Research	**5**	– Higher added value	1
– R&D	1	– Net income	1
– Market research, data	1	– Percentage market share from new products, services	1
– R&D productivity: potential productivity and technology development	1	– Innovation premium: company's valuations increase based on investors either purchasing stocks or increase valuations based on innovations or future innovativeness potential	1
– R&D yield: potential yield and operating efficiency	1		
– R&D capability: intensity, intellectual knowledge management, role of leadership innovation, skill and expertise, innovativeness compatibility, assessment on technology trends, internal and external knowledge sharing ability, innovation strategies and inititatives, project management and controlling	1		
		– Revenue from new products in the last three years	1
		– Sales of innovative or imitated products	1
		– Sales share of innovations of the past three years	1
		– Sales	1
		– Organizational capability: return on investment and payback period, turnover generated by the innovative product	1
TOTAL	**49**	**Company**	**2**
		– Company size (number of employees)	1
		– Company age (innovation experience)	1
		Place in the market	**11**
		– Customer satisfaction	1
		– Customer feedback	1
		– Number of new customers	1
		– Customer understanding	1
		– Growth in market share	1
		– Product price comparisons between companies, within a business sector	1
		– Position in the market or on a valuation scale	1
		– Process elements (*e.g.*, customer satisfaction, quality improvement)	1
		– Market share of new products in the last three years	1
		– Lack of customer responsiveness	1
		– Marketing capability: market characteristics, product promotion and pricing strategy, degree of market competition, commercialization success rate	1
		TOTAL	**73**

When analysing the data in Table 2, it should be noted that components with similar meaning are merged and are not highlighted further in the article. For example, the component "novelty of innovation" is reflected in the component that focuses on innovation for the national, international industry, company, and business, so the components are combined into a single component "novelty of innovation for the company, national, international industry", reflecting the level of the innovation, a qualitative assessment. The components with a negative aspect, *i.e.* "lack of appropriate sources of funding", is transformed into those with a positive aspect because the aim of this paper is not to analyse, for instance, what hinders a company's ability to be innovative, but rather to discover the criteria for evaluating a company's innovativeness. It should be noted that "sales share of internal venture capital" is replaced with "investment in innovation as a percentage of revenue".

It should be highlighted that originality or the creation of something new is generally seen as a key value in the creative industry. As a result, there is an increasing incentive to experiment with new, different and existing ideas and break entirely away from the familiar (Gilson, 2015). One aspect is creativity, with such examples as generating new products, processes and services. In other words, it is the generation of ideas (Kaufman & Sternberg, 2015). In addition, creativity can also be defined as the process of creating something new by combining existing elements (Jones et al., 2015). Creative ideas need to reflect, present something new and innovative and be high quality (Kaufman & Sternberg, 2015). However, for ideas to be considered creative, they need to be unique and new compared to other ideas that exist in the company at the time (Gilson, 2015). Creativity is said to embody two key aspects: the creation of innovation and its recognition (Cattani et al., 2015). It should be underlined that when developing products in the creative industries, semiotic codes and material base (technology, *etc.*) are used (Jones et al., 2015). In general, the production of the company's main product – a film – requires a team creative effort from the early development stage, not only from the artistic field but also from the business field.

According to Gilson (2015), creativity and innovation are different things. Creativity is considered to be the first stage or sub-process in many definitions of innovation. It is crucial for teams working in the creative industries to distinguish between creativity and innovation, as some of the factors and processes that inhibit or facilitate readiness for the generation of new and valuable ideas or proposals may be different from those that help or hinder them. When the focus is on implementation, novelty can be stifled.

While the company's management provides a particular environment for creativity, this may be less necessary for the teams working on an innovation project. It is thought that project teams may want to keep the more "creative" individuals away, as their constant input may hinder but not help the process (Gilson, 2015). In film production (from the development to the final stages), it is unlikely that a team would want to keep the more "creative" people away, as the production of the product requires creativity and the creative process involves the scriptwriter, the director, *etc.*, *i.e.* the creative people are the ones who are "leading". In this case, the executive producer (also line producer, associate producer) can be the most influential, as he/she manages the whole project and, of course, the financial resources are also affected. It is assumed that the various nuances that emerge depend on the leadership and team structure of the company.

Looking at the "research" sub-criterion of the input evaluation, the "R&D" component stands out, which is more likely to be found in major film studios than in independent film production companies. Alegre and Pasamar (2018) argue that some companies can be innovative without having a separate division or without doing research. However, the empirical study includes a "R&D budget" to test whether this is relevant in practice for independent film production companies. It must be assumed that independent film production companies are better placed to collaborate with academia and partners, and cluster to develop research.

When analysing the sub-criteria "general" (Table 2), *e.g.*, the components "patents", "number of patents", reflect the technological potential of the company. Also, a large part of inventions become non-commercialised and only those inventions that are internationally novel and have potential benefits are protected. A company with a large patented commercialised invention may be rated lower than a company with more patented inventions. Still, they are small and sometimes not even commercialised (Černevičiūtė et al., 2015). Patents more representative of large companies (Carayannis & Provance, 2008). It is assumed that major film studios are more likely to patent inventions. For instance, according to data provided by *Justia Patents*, 22 patents were granted to *Warner Bros.* in 2016–2018. It is unlikely that independent European film production companies will patent inventions like the major film studios, due to differences financial capacity, *etc.* As far as publications are concerned, in the film industry, it is more appropriate not so much to take the scientific point of view that the company employs scientists who publish articles but to evaluate reviews of the company's films by film critics, depending on their influence on the industry. It is an assessment of the artistic side of the film, its quality, *etc.*

It should be noted that some components, such as "number of awards for innovation in the last three years: number of awards, number of honours", are adjusted to the specificities of the film industry. In cinema, the component "innovation sets a new standard in the industry" is seen as a new movement in cinematography, which concerns the artistic value of films. However, it may also be a kind of filmmaking technology. Regarding the component "product improvements", it should be highlighted that each film is already a kind of innovation. Therefore, the evaluation of improved products may be a company's complementary products, but not the films. It should be underlined that every film is a new product, and it is difficult to make comparisons in the global film industry, which is where the evaluation of "soft" innovations comes into play. In this case, it is appropriate to include an evaluation criterion that shows how many films the company produces.

"Soft" innovations are product or service innovations that primarily influence aesthetic, intellectual appeal, mainly based on non-material aspects (Lewandowski, 2015; Eltham, 2013; Chapain & Stachowiak, 2017). These are innovations related to film styles, genres, editing rules, and/or aesthetics. Still, there is also the possibility of technology-driven "soft" innovations that lead to innovations in narrative realism (Chapain & Stachowiak, 2017). Such innovations include the blue/green screen, but a new editing technology has now been invented that this background is no longer used. It can also include various filmmaking technologies that allow for display, such as *IMAX*, 3D film, 5D technology, or vertical video (adapting films to be viewed vertically on mobile phones). According to Chapain

and Stachowiak (2017), computer games as interactive films are also classified as "soft" innovations. Therefore, it is assumed that all of these can be attributed to the "general" sub-criterion of output evaluation.

The component "risk-taking principles" is changed to "level of risk avoidance" would better assess whether a company is risk-averse. The higher the level of risk avoidance, less innovative a company is. Once risks are accepted, risk management is carried out to mitigate the anticipated negative effects of the risks. It also assumes that evaluating a company's innovativeness is useful by including a component of "return on investment" and "growth in income from ticket sales, film rights".

It is assumed that the component "additional innovation benefit is a measure of the extent to which investors have increased the value of a stock, *i.e.*, the value of an existing business based on expectations of future innovation performance" is most relevant for the evaluation of companies (especially public limited companies) that are listed on a stock exchange. It is more appropriate to evaluate independent film production companies in terms of the growth of the company's capitalisation based on expectations of future innovation performance.

By analysing the sub-criterion "company", the company's age reveals experience in innovation and knowledge absorption. Small companies are more likely to innovate with knowledge, using research conducted in universities. Newly set up companies, such as start-ups, tend to be small but innovate effectively (Handrich et al., 2015). However, start-ups are mostly technology-related. The assumption is that it cannot be unequivocally stated that the longer a company has been in existence, the more innovative it is. In terms of film production, a company that has been on the market longer has a greater probability of producing more films. The assumption is that smaller film companies are more flexible and can quickly decide what innovations to apply and develop the new ones. However, the big film companies have more internal resources and already have a particular share of the global film market. It should be noted that independent film production companies may have few permanent staff but many freelancers. The sub-criterion "company" is a debated for evaluating a company's innovativeness. Components of this sub-criterion are included in the empirical study to see whether they are essential criteria for independent film production companies. A European independent film production company seeking to exploit films in international markets and online is more likely to innovate than a company that focuses on the domestic market and festivals.

It should be noted that there is now an increasing focus on sustainable production. The film industry is distinguished by "green filmmaking", which aims to minimise the impact on the environment during the filming process. American film studios are pretty active in green film production. *Warner Bros.* has achieved *Leadership in Energy and Environmental Design* certification for four buildings (the first in 2009) as part of the studio renovation. The Producers Guild of America with initial support from the major Hollywood film studios, has developed the Green Production Guide (2022), which provides a database of green products and services, a carbon calculator, best practices, *etc.* (Victory, 2015). Thus, "green filmmaking" is included in evaluating a company's innovativeness. The final criteria for evaluating the company's innovativeness of an independent film production company are listed in Tables 5, 7–8, where they are empirically tested.

2. Organisation and methodology of the empirical research

The empirical study was conducted with independent film production companies (hereafter referred to as "the film production company" or "the company") that do not belong to the major film studios, are not enrolled into the system of Motion Picture Association, currently composed of: *Walt Disney Studios Motion Pictures*, *Netflix*, *Paramount Pictures*, *Sony Pictures*, *Universal City Studios Limited Liability Company*, and *Warner Bros.* (Motion Picture Association, 2022). According to European Audiovisual Production Association: European Audiovisual Production (2018), independent production is performed when production is not controlled by broadcasters and can maintain management independence and free disposal of their production. In this research, an independent film production company focuses exclusively on production and is not controlled by streamers, broadcast, studios and distributors. The main activity is the production of cinematographic works in the European film market. As there is no possibility to determine which company can be considered as innovative or less innovative on the market, *etc.*, the film – innovation as the main product is taken into account, which means that every film production company innovates and that the representatives of the companies have the know-how to take part in a study to verify the criteria for an independent evaluation of the innovativeness of film production companies. The purposive sampling selected was expert sampling. Experts are company executives and/or producers according to a hierarchical structure. The experience of the expert is reflected in the company's development, expansion, *etc.*

The survey includes film production companies in Lithuania and other countries (in the European film market) involved in any of the following stages of the film value chain/production: pre-production, production, post-production and service. Also, companies that produce documentaries, animation, feature films, *etc.*, are included; companies are not subdivided by the content of the films they produce. The list of companies is based on information provided by the Lithuanian Film Centre (LFC), *Kemps Film and TV Production Services Handbook* (Bickles-Smith, 1956), the Danish Film Institute, the Slovenian Film Centre, National Film Centre of Latvia, the Estonian Film Foundation, the Polish Film Institute, the Swedish Film and Television Producers Association, and Audiovisual Producers' Association. Companies are not enrolled in the list compiled by the study if they do not have a website and do not have complete information from other sources, or if they have produced only 1–3 films and do not meet the characteristics of an independent film production company. More attention is paid to companies that develop multiple activities (not just one stage of the film value chain). Thirty-four companies from Lithuania and 199 from other countries were selected. The data collection procedure involved several steps. The first step was to make initial contact and, upon confirmation, a questionnaire was sent. 19 questionnaires were sent by electronic mail to companies from Lithuania and 12 from other countries, and 16 (from Lithuania) and 8 (from Luxembourg, Poland, Latvia, Estonia, Sweden, Croatia) completed questionnaires were received. Some experts refused to participate based on their belief that they could not contribute to the study for various reasons; those who agreed were robust in their expertise and experience, and enriched the quality of data collected during the study.

The questionnaire was based on a structured set of theoretical criteria for evaluating film production companies' innovativeness. A 4-point Likert scale was chosen, and the expert's hesitancy was eliminated. Experts were asked to rate the criteria given, ranging from "completely unimportant" to "very important" for implementation of innovation and which criteria they "strongly disagree" – "strongly agree" to evaluate innovation output.

Key positions held by experts in the company: chief executive officer (CEO), CEO-co-founder-writer-director-producer, CEO-producer, producer, founder-producer-film director, film producer, producer-partner, managing director, chairman-CEO, head of a company, head of a company-producer, founder-producer-investor-strategist-lecturer, head of the company-visual effects artist, head of the company-producer-film director, manager, and founder/producer/film director. The main features of the companies represented were the following: award-winning motion films, complete production of films, commercials, trailers, television shows, music videos; animation studios; focus on quality and commerce; some companies focus on distribution as well as production; one of the leading companies in Scandinavia produces feature films, dramas, comedies, entertainment shows, focusing on unique storytelling; specialises in documentaries, fiction films, service production, a company introducing partners such as the *British Broadcasting Corporation*, *Home Box Office Europe*, *etc.*

The average experience of Lithuanian experts in film industry companies are represented in years (although experts only roughly indicated their duration) and is 13 years, with the shortest span of 1 year and the longest period of 26 years. The approximate average length of experience of experts in other countries is 15 years, with the shortest duration of 8 years and the longest duration of 30 years. It is noted that some experts have been in the film business for more than 12 years but have been running their own company for four years or have been in the television and film industry for more than 15 years. It should also be noted that the group of experts from other countries includes one of the leading experts in the international film and creative industries, a producer with a Doctor of Philosophy. The expert has extensive hands-on entrepreneurial and management experience, has advised European film companies on business strategy and planning, has been a fund manager, a risk manager, a lecturer worldwide, and has written a number of books on the European film business. The group of experts also included four experts from the United Kingdom, Spain, Taiwan, and Japan, recommended by the head of a film production company. The recommended experts work closely with European film production companies and know the European film market. One of the experts used to work for a major film studio. He currently runs his own production company, independent of the major film studios and broadcasters.

However, there are limitations to this study. One limitation is the foreign language. The researcher does not currently have the possibility to communicate in other foreign languages (only English), and therefore the selection of experts is limited. Other limitations of the study are the lack of contact details for company managers, the general information email address, the overcrowding of electronic mails and the COVID-19 pandemic period (the study was conducted in 2021), which led to an even higher occupancy level.

Table 3 reports the results obtained from the calculation of the degree of consensus between the experts (Kendall's *W*).

Table 3. Summary of the degree of homogeneity of experts' opinions (source: created by author)

	The criteria for evaluating inputs to innovation			Innovation output evaluating criteria		
	All	Group 1	Group 2	All	Group 1	Group 2
Kendall's *W*	0.266	0.290	0.298	0.157	0.166	0.234

When analysing the data presented in Table 3, Kendall's *W* values show weak consensus across all expert groups for all questionnaire sets. However, the coefficients are all significantly different from zero, and the estimates are not entirely random. This is subject to the proviso that the subjects are distinctive, *i.e.* from the field of the film industry/arts, which is characterised by a diversity of opinions.

3. Analysis and results of the study

The analysis of the questionnaire was carried out by dividing the data into three main sets evaluating the input to innovation, evaluating the output of innovation, and the company. The total number of criteria is 60.

The restoration of Lithuania's independence brought changes to the whole system of film financing, structure, *etc.* Only in 2012, the LFC was established, *i.e.*, the patronising film policy model – the arm's length principle – started to be developed. This is why one group is distinguished – experts from Lithuania. This indicates a particular trend, allows comparison with experts from other countries, and develops new research possibilities. The data analysis was done by dividing the experts into three groups: group "all" – all experts, group 1 – experts from other countries, group 2 – experts from Lithuania. This provides more detailed data, which can be compared in between and within groups for more specific trends across groups. If only one group – all experts – was used, this may lead to inaccuracies as more experts come from one market. If only two groups are distinguished: experts from other countries and experts from Lithuania, it is possible that there will be a confrontation, and then it is difficult to determine which group's results should be used to select the criterion.

For each group of experts, the value of the correlation coefficient between the answers to a given question and the full scale of the questionnaire was analysed, and if there was a non-significant statistical correlation with the full scale of the evaluation, it was observed to which extent it led to an increase in the Cronbach's alpha. When there was a significant expert consensus (within each group of experts separately), the median was analysed, and the evaluation criteria were selected from "partly important" and "very important" to "slightly agree" and "strongly agree". The data was then compared and analysed between the three expert groups. It should be highlighted that the analysis of the data revealed which of the company's innovation evaluation criteria are very important and which are partly important.

An analysis of the data generated by the input to innovation is presented below (Tables 4–5).

It should be noted that this part of the questionnaire was the most difficult for the experts as there are fewer valid questionnaires compared to the second part of the questionnaire (Table 6). The total number of completed questionnaires is 29. Table 5 presents the scale internal consistency of the criteria for evaluating inputs to innovation.

Table 4. Input into innovation case processing summary (source: created by author)

		All		Group 1		Group 2	
		N	%	N	%	N	%
Cases	Valid	23	79,3	11	84.6	12	75
	Excluded*	6	20.7	2	15.4	4	25
	Total	29	100	13	100	16	100

**Note*: Listwise deletion based on all variations in the procedure.

Table 5. Scale internal consistency of the criteria for evaluating inputs to innovation (source: created by author)

	Corrected item: total correlation			Cronbach's alpha if item deleted			Median		
	All	Group 1	Group 2	All	Group 1	Group 2	All	Group 1	Group 2
The company has a work-life balance programme (GI1)	0.114	0.624	–0.213	0.827	0.853	0.817	3	3	3.5
The company regularly talks about cooperation between departments/employees or creative areas (GI2)	0.618	0.571	0.696	0.813	0.855	0.785	4	4	4
The company has teams/personnel of cross-functional for exchange knowledge between departments/employees (GI3)	0.336	0.150	0.515	0.819	0.866	0.783	3	3	3
The company regularly uses temporary working groups for cooperation between units/employees (GI4)	–0.006	0.292	–0.231	0.835	0.862	0.823	3	2.5	3
Employees can decide about new ideas and their implementation in the company, observing a few simple set rules (GI5)	–0.08	0.470	–0.428	0.834	0.857	0.826	3	3	3
The company with a new product/service always tries to take leading positions in the market (GI6)	0.319	0.129	0.461	0.820	0.864	0.786	3	3	4

Continue of Table 5

	Corrected item: total correlation			Cronbach's alpha if item deleted			Median		
	All	Group 1	Group 2	All	Group 1	Group 2	All	Group 1	Group 2
Company management supports efforts to contribute creatively to the development of the film industry (GI7)	0.154	–0.019	0.258	0.825	0.865	0.795	4	4	4
In the company, at least one person among the managers strongly supports new ideas (GI8)	0.612	0.739	0.602	0.814	0.851	0.792	4	4	4
Company management consults with employees responsible for research, innovation or business development when making strategic decisions (GI9)	0.396	0.643	0.181	0.818	0.852	0.798	3	3	4
Company management advises employees on innovative ideas when making strategic decisions (GI10)	0.200	–0.005	0.367	0.823	0.866	0.791	3.5	3	4
The company tends to take risks (low level of risk avoidance) associated with innovation (GI11)	0.567	0.487	0.706	0.812	0.858	0.776	3	3	4
The company takes into account the speed of innovation (time before entering the market) and tries to release products/services to the market as soon as possible (GI12)	0.349	0.219	0.501	0.819	0.865	0.785	3	2.5	3
The company develops and implements innovation strategies, initiatives (GI13)	0.465	0.728	0.248	0.815	0.851	0.795	3	3	3

Continue of Table 5

	Corrected item: total correlation			Cronbach's alpha if item deleted			Median		
	All	Group 1	Group 2	All	Group 1	Group 2	All	Group 1	Group 2
The company is a member of the film cluster (GI14)	–0.358	–0.701	–0.080	0.847	0.888	0.812	3	3	3
The amount of investment in innovation is calculated from the revenue generated (GI15)	0.148	0.431	–0.141	0.828	0.858	0.814	3	3	3
The company has set a research and development (R&D) budget (FES1)	0.453	0.548	0.432	0.815	0.855	0.787	3	3	2.5
The company has fixed staff costs (excluding learning costs) (FES2)	0.355	0.393	0.335	0.819	0.859	0.792	3	3	3
The company sets the cost of training employees, investment in training (FES3)	0.529	0.185	0.851	0.812	0.864	0.765	3	3	3
Quality ideas are generated in the company (their quantity) (A1)	0.730	0.704	0.773	0.808	0.852	0.778	4	3.5	4
The company is able to attract creative, talented (talents), skilled employees (A2)	0.471	0.404	0.610	0.818	0.859	0.789	4	4	4
The company is able to retain creative, talented (talents), skilled employees (A3)	0.646	0.770	0.610	0.814	0.853	0.789	4	4	4
The company allows employees to systematise and use the collected information and new knowledge (A4)	0.242	0.249	0.246	0.822	0.862	0.795	4	4	3.5
In the company, employees collect information and new knowledge, prepare it for further purposes and make it accessible to others (A5)	0.565	0.555	0.576	0.812	0.854	0.784	3	3	3

End of Table 5

	Corrected item: total correlation			Cronbach's alpha if item deleted			Median		
	All	Group 1	Group 2	All	Group 1	Group 2	All	Group 1	Group 2
In the company, employees link existing knowledge with new insights successfully (A6)	0.335	0.125	0.625	0.820	0.865	0.786	3.5	3	4
In the company, employees are encouraged to think and behave innovatively: try new ways of doing work, look for unusual, new solutions (A7)	0.389	0.584	0.286	0.817	0.854	0.794	3.5	3.5	3.5
The company is able to successfully apply for state support and other funding resources (approved application and amount of funding received) (A8)	0.082	0.011	0.146	0.826	0.865	0.798	4	4	4
Technology/Equipment /Tools: the company uses various necessary tools and resources (TET1)	0.473	0.451	0.499	0.816	0.857	0.787	4	4	4
The company has and develops a technological base (TET2)	0.280	0.456	0.120	0.823	0.857	0.805	3	3	3
Research: the company promotes cooperation with academia (R1)	0.399	0.526	0.328	0.817	0.855	0.793	3	2	3
Research: the company encourages cooperation with other companies (partners) (R2)	0.405	0.528	0.320	0.817	0.855	0.793	3	3	3
The company increases R&D intensity (R3)	0.539	0.673	0.499	0.812	0.853	0.784	3	3	3
The company promotes the intensity of film market research (R4)	0.654	0.662	0.665	0.806	0.851	0.775	3	3	2
Cronbach's alpha	All		0.824						
	Group1		0.863						
	Group 2		0.799						

When analysing the data presented in Table 5, the highlighted criteria for evaluating contributions to innovation are essential for evaluating a company's innovativeness, as they correlate significantly with the overall rating scale in all three groups of experts and have been selected to be more towards the upper end of the rating scale – "very important". Regarding criteria GI1, GI7, GI9, GI10, GI11, GI12, GI13, GI15, FES1, FES2, FES3, A5, TET2, R2, R3, they are partly important. As a result of the analysis, the GI4 criterion was removed as it is not designed to evaluate innovation.

When analysing the responses of all experts to criterion GI5, there was no consensus that this criterion may be partly important. However, when analysing the data in group 1 and group 2, there is a relatively significant and similar consensus that the criterion is partly important. This criterion can be considered as partly important for implementing of innovation, depending on the analysis of the individual groups. If employees in the company are not able to make their own decisions, the whole innovation process can take a very long time. For instance, in the production of a film, the head of the company cannot control all the decisions that affect the nuances of each film production. The board of the company and the CEO have to trust the decisions taken by the film producers, *etc.*

Regarding criterion GI14, the correlation coefficient for group 1 is highly significant, and the experts agree that the criterion is partly important. The correlation coefficient is also substantial when analysing group "all". Only in group 2, the correlation coefficient is entirely insignificant, and there is an increase in the Cronbach's alpha coefficient. It should be noted that this criterion remains partly important and may be an incentive for other research.

For criterion A8, the correlation coefficient between all experts (group "all") and group 1 is entirely insignificant, and there is a significant increase in the Cronbach's alpha coefficient, so the criterion was not evaluated. In group 2, the criterion correlates significantly with the overall rating scale, and experts agree that the criterion is very important. When analysing the median of the other groups, there is no consensus among experts whether the criterion is very important. This criterion is left as an informational one and reference for further research.

As far as criterion R1 is concerned, the correlation coefficient for group 1 is quite significant, and the experts agree that the criterion is partly unimportant. The correlation coefficient is significant for group "all" and group 2, and there is a consensus that the criterion is partly important. It is assumed that this depends on the country and the degree to which academia is interested in conducting specific research for companies. The criterion is retained as partly important.

When dealing with criterion R4, it is observed that the correlation coefficient is quite significant in group 1, and there is a consensus that this criterion is partly important. The same is true for group 2, except that experts agree that this criterion is partly unimportant. When analysing group "all", there is a consensus that the criterion is partly important. This criterion is therefore retained as partly important.

The criteria for evaluating innovation output are presented below in Tables 6–7.

According to the data in Table 6, all the questionnaires in group 1 are valid; only in group 2 there are 13 valid questionnaires out of 16 possible ones. Table 7 presents the scale internal consistency of innovation output evaluating criteria.

Table 6. Summary of processing criteria for evaluating innovation output (source: created by author)

		All		Group 1		Group 2	
		N	%	N	%	N	%
Cases	Valid	26	89.7	13	100	13	81.3
	Excluded	3	10.3	0	0	3	18.8
	Total	29	100	13	100	16	100

Note: Listwise deletion based on all variations in the procedure.

Table 7. Scale internal consistency of innovation output evaluating criteria (source: created by author)

	Corrected item: total correlation			Cronbach's alpha if item deleted			Median		
	All	Group 1	Group 2	All	Group 1	Group 2	All	Group 1	Group 2
Number of films produced by the company (GO1)	0.127	0.158	0.090	0.795	0.812	0.798	3	3	3
Number of green films (green filmmaking) produced by the company (GO2)	0.314	0.311	0.312	0.784	0.804	0.785	2	3	2
Innovative (additional) products developed by the company (including TV serials, advertising, *etc.*), number of services (GO3)	0.140	0.421	–0.148	0.791	0.799	0.803	3	3	3
The novelty of innovations created by the company (except for films) for the company, national, international industry (GO4)	0.287	0.306	0.276	0.785	0.803	0.786	3	3	3
The company leads to new cinematographic movements (GO5)	0.411	0.418	0.439	0.779	0.799	0.777	3	3	3
The company develops film production, production technologies that set new standards for creation in the film industry (GO6)	0.308	0.563	0.144	0.784	0.795	0.794	3	3	3

Continue of Table 7

	Corrected item: total correlation			Cronbach's alpha if item deleted			Median		
	All	Group 1	Group 2	All	Group 1	Group 2	All	Group 1	Group 2
The company develops its products (except for films, serials) (GO7)	0.235	0.209	0.333	0.788	0.808	0.783	3	3	3
The company uses intellectual property (use of trade secrets protection, copyright) (GO8)	0.429	0.665	0.299	0.779	0.786	0.786	4	3	4
Films produced by the company receive acclaimed reviews of film critics, their number (GO9)	0.568	0.670	0.452	0.769	0.783	0.777	4	4	3.5
The company develops new technologies (not related to film production) (GO10)	0.407	0.330	0.494	0.779	0.803	0.774	2.5	3	2
Films produced by the company receive prestigious awards, nominations (expressed in numbers) (GO11)	0.367	0.378	0.374	0.782	0.800	0.782	4	4	3.5
Participation of the company (films) (expressed in numbers) in prestigious film festivals (GO12)	0.445	0.440	0.461	0.777	0.797	0.776	4	4	3.5
The company develops, uses "soft" innovations that are based on technology. They encourage innovations in the realism of the film's narrative; for instance, new montage, filming technology and other technologies are used instead of green/blue background. Also, these innovations include games (interactive films) (GO13)	0.258	0.464	0.151	0.787	0.795	0.791	4	3	4

Continue of Table 7

	Corrected item: total correlation			Cronbach's alpha if item deleted			Median		
	All	Group 1	Group 2	All	Group 1	Group 2	All	Group 1	Group 2
Calculated company's share of innovation profits generated and used (RS1)	0.515	0.411	0.625	0.775	0.799	0.769	3	3	3
Calculated company revenue growth from box-officers, film rights (RS2)	0.324	0.732	–0.026	0.784	0.781	0.805	3	3	3
Calculation of return on investment from films (films investors from other business sectors) (RS3)	0.255	0.197	0.468	0.787	0.809	0.781	3	3	3
Calculated company profit growth (RS4)	0.417	0.422	0.406	0.781	0.800	0.782	3	3	3
Calculated company revenue growth (RS5)	0.514	0.500	0.534	0.777	0.798	0.775	3	3	3
Calculated revenue growth from additional (excluding films) innovative products (including serials, *etc.*), service (RS6)	0.313	0.297	0.337	0.785	0.804	0.783	3	3	3
Grant applications are calculated: funding received from various funds, etc. (RS7)	0.080	–0.007	0.174	0.798	0.817	0.792	3	4	2.5
Calculation of market share (in percentage) of innovative products, services (including films) (RS8)	0.257	0.140	0.358	0.787	0.809	0.782	3	3	3
Calculated company capitalisation growth with expectations of future innovation results (RS9)	0.604	0.495	0.709	0.770	0.796	0.763	3	3	3
Client, consumer (viewers) satisfaction, feedback about the company and its products/services (M1)	0.115	–0.078	0.269	0.793	0.816	0.787	4	4	3.5

End of Table 7

	Corrected item: total correlation			Cronbach's alpha if item deleted			Median		
	All	Group 1	Group 2	All	Group 1	Group 2	All	Group 1	Group 2
Number of new customers is vital for the company (M2)	0.006	–0.347	0.406	0.797	0.828	0.781	3	3	3
Growth in the company's national market share (M3)	0.365	0.408	0.327	0.781	0.799	0.784	3	3	3
The company's activities are focused on international film markets: the company's expansion in other countries, the screening, distribution of films in global markets, additional products/services are developed in international markets (M4)	0.289	0.339	0.238	0.786	0.803	0.788	4	4	4
Cronbach's alpha	All		0.791						
	Group 1		0.808						
	Group 2		0.791						

When analysing the data presented in Table 7, the highlighted criteria for evaluating contributions to innovation are very important for evaluating a company's innovativeness, as they correlate significantly with the overall rating scale in all three groups of experts, and, in the analysis, have been chosen to be more towards the upper end of the rating scale – "strongly agree". They are partly important regarding GO3, GO4, GO5, GO6, GO7, RS1, RS3, RS4, RS5, RS6, RS8, RS9, and M3 as of the choice of the "slightly agree" part of the scale. As a result of analysis, the GO10 and RS7 criteria were removed as they are not designed to evaluate innovation.

Regarding the GO1 criterion, in group "all" and group 1, the correlation coefficient is significant, and the experts chose the part of the evaluation scale – "partly agree". In group 2, the correlation coefficient is entirely insignificant, and there is a significant increase in Cronbach's alpha, so the criterion is not assessed in this group. Regarding the other groups of experts, this criterion is retained as partly important for evaluating a company's innovativeness, because the experts partly agree. It is observed that the evaluation of films is possible in the case of feature films with feature films, short films with short films, *etc.*, regardless of content.

When analysing the criterion "green filmmaking" (GO2), it is observed that in group 2 and group "all", the rating correlates with the overall rating scale and that the experts have

chosen the "partly disagree" part of the rating scale. However, in group 1, there is a significant correlation coefficient, but the chosen rating scale is "partly agree". The assumption is that this is a big challenge for independent film production companies. Co-production is widely practised and promoted in Europe, which means it is difficult to reduce carbon dioxide emissions. It is assumed that it is appropriate to wait a few years and then carrying out a study on the green filmmaking, its regulation in the film industry, the conditions, *etc.*, because there may not be any other production option, which is, of course, questionable. This criterion is removed and requires further research.

The correlation coefficient for the RS2 criterion is entirely insignificant, and there is a noticeable increase in the Cronbach's alpha coefficient in group 2, so this criterion was not assessed in this group. When analysing group "all", there is a significant correlation coefficient, and the selected part of the rating scale is "partly agree". Group 1 has a highly significant correlation coefficient and a rating scale of "partly agree". This criterion is therefore included as partly important for evaluating a company's innovativeness.

The rating of criterion M1 in the group "all" and group 2 is significantly correlated with the overall rating scale and the "strongly agree" part of the rating scale. In group 1, the correlation coefficient is entirely insignificant, and there is a significant increase in Cronbach's alpha, so the criterion was not evaluated. Given that there is no consensus in group 1, and the other groups' median is between 3.5 and 4, this evaluation criterion can be considered partly important but needs further investigation and is therefore informative.

For criterion M2, the correlation coefficient in the "all" group is entirely insignificant, and there is a significant increase in Cronbach's alpha, so the criterion was not evaluated in this group. The correlation coefficient between group 1 and group 2 is quite significant, and the selected part of the rating scale is "partly agree". This criterion is thus retained as partly important for evaluating a company's innovativeness.

It should be pointed out that only one expert in the questionnaire indicated that it is crucial to evaluate a company's innovativeness, not only in terms of profit. It is argued that the share of assets is an important indicator because the payback is long term, and new products are listed in the section "intangible assets". This was not noted by the other experts, so this additional evaluation criterion was not included in the overall data analysis of the innovation performance criteria. This aspect requires a separate, additional study.

Table 8 presents analysis of data from the "company" evaluation criteria by group with CA1 being the age of the company, and CS2 being the size of the company. It should be highlighted that the "company" block was analysed using median, as this block consists of only two scoring criteria, and when the removal of one criterion makes Cronbach's alpha meaningless. As mentioned earlier, this distinction was included in the questionnaire to test the experts' views on the possibility that innovation is strongly influenced by the age and size of the company.

According to Table 8, experts disagree that implementation of innovation is more likely to occur in a company whose age (years since establishment) is above average compared to other companies (CA1). However, opinions differed on the expected level of implementing innovation when size of the company (number of permanent employees working in the

Table 8. Analysis of data from the "company" evaluation criteria (source: created by author)

		All		Group 1		Group 2	
		CA1*	CS2**	CA1	CS2	CA1	CS2
N	Valid	29	29	13	13	16	16
	Missing	0	0	0	0	0	0
	Median	2.00	2.00	2.00	2.00	2.00	3.00

Notes: *CA1: The company is most likely to implement innovations when the company's age (years since establishment) is above average compared to other companies. **CS2: The company is most likely to innovate when the size of the company (number of permanent employees in the company) as large as possible.

company) is as large as possible (CS2). Group 2 partly agrees that this has an impact. It is assumed that for companies with a stable workforce averaging 1–3 employees, it is difficult for the CEO to develop the company and at the same time produce films. It is not appropriate to judge a company's innovativeness solely based on company size or age. These criteria can serve only as reference indicators for comparing companies with each other or as control variables in other studies.

Discussion

The empirical study confirms to some extent the claims made in the theoretical part about creativity. Experts also stress that a company must generate quality ideas and have at least one person at the top to support those new ideas. In practice, independent film production companies are advised to pay particular attention to the sub-criterion "capabilities". According to the results obtained, out of the eight evaluation criteria proposed, as many as six criteria were rated as very important by the experts.

Six of the proposed criteria for evaluating a company's innovativeness were questioned, four were dropped and two were kept as informational. This proves that the proposed criteria for determining the innovativeness of a film production company were not adapted or chosen at random. Regarding the informational criteria, further empirical studies are recommended. For instance, criteria A8 raises the question of how the company should generate income and what kind of films it should produce. As there was no significant consensus between experts in the few expert groups, but the median indicates that this is a very important criterion, additional interviews with experts should be conducted in the future.

Overall, this study is a new field of research in film industry, especially in the European film industry and independent film production companies. It should be underlined that a company's potential also depends on the current market, the size of the market and the film policy of the country. Therefore, when evaluating a company's innovativeness, one should also take into account the characteristics of the market where the company is established or compare companies located only in one country. This reseach can be an impetus to research independent film production companies more closely and encourage their development, primarily as the market is currently dominated by small companies.

Conclusions

The innovativeness of an independent film production company consists of input to innovation and innovation output. It should be pointed out that the product, namely a film, is an innovation that is evaluated in relation to the company, the market and the industry. The criteria for evaluating a company's innovativeness are classified into sub-criteria. There are five sub-criteria for input to innovation: general, financial cost structure, capabilities, technology/equipment/means, and research. There are also four sub-criteria for innovation output: general, revenue structure, company, and market position. In total, 113 components were identified, but when applied to independent film production companies, the analysis identified 60 components (evaluating criteria) used to evaluate the company's innovativeness. Following this empirical study, the innovativeness of an independent film production company is primarily evaluated by the following criteria: GI2, GI8; A1, A2, A3, A4, A6, A7; TET1; GO8, GO9, GO11, GO12, GO13; M4. The following criteria are then taken into account: GI1, GI3, GI5, GI6, GI7, GI9, GI10, GI11, GI12, GI13, GI14, GI15; FES1, FES2, FES3; A5; TET2; R1, R2, R3, R4; GO1, GO3, GO4, GO5, GO6, GO7; RS1, RS2, RS3, RS4, RS5, RS6, RS8, RS9; M2, M3. As for criteria A8 and M1, these are informational and further studies are recommended. Thus, with these evaluation criteria in place, independent film production companies can be compared with each other to see which company performed better. It should be highlighted that it is still appropriate to link each of the criteria for evaluating a company's innovativeness and to carry out a correlation analysis, *i.e.* to compare the criteria for evaluating the output of innovation with the criteria for evaluating input to innovation. All this will allow new research to be carried out on the innovativeness, management, *etc.*, of independent film production companies. It should be noted that criteria GI4, GO10, and RS7 are not designed to evaluate company's innovativeness. The criterion GO2 was removed and requires further research.

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