ORIGINAL ARTICLE

Cultural discount of cinematic achievement: the academy awards and U.S. movies' East Asian box office

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Abstract   This study uses the Academy Awards as a window to look into how cultural differences influence the reception of U.S. movies in East Asia. Following the recent research on the concept of cultural discount and the argument that the Academy Awards are indicators of cinematic qualities and achievement, the research questions focus on whether different types of cinematic qualities and achievement would be discounted by cultural differences to different extents. More specifically, a distinction between drama and non-drama awards is made, and it is argued that the cinematic qualities and achievement indicated by the drama awards are likely to be relatively more culturally specific and hence more likely to be discounted by cultural differences. The empirical analysis examines the box office performance of 585 U.S. movies from 2002 to 2007 in nine East Asian markets. It shows that non-drama awards relate positively to box office receipts, but drama awards relate negatively to box office receipts. Moreover, the negative relationship between drama awards and box office receipts is stronger in countries more culturally distant from the U.S. The findings are therefore highly supportive to the conceptual arguments. Other implications of the findings are also discussed.

Keywords   Cultural discount · The Academy Awards · Box office performance · Hollywood · East Asia

1 Introduction

Movies are both commercial products and an art form, and hence their success can be defined in terms of market performance or artistic excellence. The former can be

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measured by theatrical admissions, box office revenues, or profits, whereas the latter can be measured by reviewers' acclaims, industrial recognition through awards, or retrospective "cultural consecration" (Allen and Lincoln 2004) by authoritative institutions.

Conceptually, these two aspects of movie success can be treated as separate from each other. Each can be explained by a somewhat different set of factors (Holbrook and Addis 2008). Yet media economists and marketing researchers are also interested in the connections between the two. The economic worth of the world-prominent Academy Awards, in particular, has received much research attention (e.g., Deuchert et al. 2005; Dodds and Holbrook 1988; Nelson et al. 2001; Simonoff and Sparrow 2000).

This study is also interested in the relationship between the Academy Awards and the box office revenues of U.S. movies. However, whereas most past studies on the topic focused on U.S. movies' domestic box office, this study examines the award–box office relationship in the East Asian markets, which have become increasingly important to the Hollywood movie industry (Miller et al. 2005).

More importantly, this study ties the study of the empirical "award effects" to the concept of "cultural discount," i.e., the idea that a media product would suffer from a loss in values when it moves across cultural boundaries (Hoskins and Mirus 1988; Wildman 1995; Wildman and Siwek 1988). The basic contention is that the Academy Awards are indicators of movies' cinematic qualities and achievement. Following this premise, we may then ask: would the economic values of the cinematic qualities and achievement indicated by the Academy Awards be "discounted" by cultural differences? Would different types of cinematic qualities or achievement be discounted to different extents?

Tackling these questions should provide us with further insights on the phenomenon of "global Hollywood" (Miller et al. 2005). While U.S. movies have become increasingly dominant in the world market and the world market has become increasingly important to U.S. movies (Waterman 2005), research on the factors shaping the foreign box office of U.S. movies has just begun to proliferate in the recent years (e.g., Elberse and Eliashberg 2003; Hennig-Thurau et al. 2004). More specifically, a line of research has attempted to look into the question of how culture shapes the global audience's reception of U.S. movies (Fu and Lee 2008; Lee 2006a, 2008). This study is conceived as a contribution to this latter literature. It should, in broad terms, further our understanding of the interplay between economics and culture in international media flow.

The next section briefly discusses the concept of cultural discount and its application in empirical research. Then, the article discusses the sense in which the Academy Awards can be used as indicators of cinematic qualities and achievement, and how the values of different types of cinematic qualities and achievement may be discounted. Hypotheses are established and tested by data about U.S. movies' box office in nine East Asian countries. The concluding section discusses the implications of the findings.

2 Cultural discount and U.S. movies' foreign box office

The concept of cultural discount was originally developed in the late 1980s by media economists interested in establishing a microeconomic theory of imbalances in cross-market media flow, with markets defined nationally, regionally, or linguistically (Hoskins and Mirus 1988; Waterman 1988; Wildman and Siwek 1988). The concept itself refers to the point that due to differences in cultural and social values, the lack of relevant background knowledge, and/or the problem of language, audience are not likely to fully appreciate a media product coming from a foreign market. Hence, the value of the foreign media product would be "discounted."

On the surface, it seems that cultural discount should adversely affect the interests of all the media producers. However, as the media economists articulated, when domestic market sizes are taken into account, cultural discount actually benefits the producers from large markets. It is because these producers would have their large domestic markets *not* discounted, and only the smaller foreign markets are discounted. In contrast, producers from small markets would have the large foreign markets discounted. In other words, the total effective market size is bigger for producers from bigger domestic markets. As a result, larger amounts of economic resources are available for media producers in bigger domestic markets. Assuming that larger investments would normally result in more appealing products, we can then expect producers from large markets to dominate cross-market trade. The theory thus provides an explanation of American dominance in international media trade: it pinpoints the large U.S. domestic media market as the root of the phenomenon.

Admittedly, the theory involves a number of assumptions which can be criticized. For example, international free trade is assumed in the theory when it is applied to explaining U.S. media dominance in the world. However, for critical political economists, free trade is not a natural state of affairs; it is a historical condition produced and maintained by the strategies of the media conglomerates and the policies of the U.S. government (Miller et al. 2005; Wasko 2005). The political economists, therefore, would point to the operation of and collusion between powerful political and economic institutions as the ultimate factor underlying American dominance in global media trade.

Nevertheless, putting aside the possible limitations, the microeconomic theory of media flow and the concept of cultural discount, in particular, have provided guidance for empirical research in the last decade, and such research has indeed come up with illuminating findings. Two major lines of research about U.S. movies, in particular, were developed. The first focuses on the "collective level" and uses either country or year as the unit of analysis. Lee (2002) and Waterman and Jayakar (2000), for example, show that over-time changes in the box office share of U.S. movies in a country are related to the changes in the ratio of the size of the U.S. market to the size of the importing country's market. Jayakar and Waterman (2000) and Oh (2001), meanwhile, show that countries with higher levels of consumer expenditures on movies have their movie markets less dominated by U.S. imports.

The second line of research uses individual movies as the unit of analysis and examines hypotheses which follow more directly from the concept of cultural discount. If the value of a movie can be discounted due to cultural differences, then we can expect a country's audience to be more receptive to movies from a less distant culture.[1] Fu and Lee's (2008) interrogation of the Singaporean movie market shows exactly that. Besides, we can also expect movies with more culturally specific contents to perform relatively worse in foreign markets. Lee (2006a, 2008) provides relevant tests of this hypothesis by using genres as indicators of movie contents. His studies find that U.S. comedies, presumably more culturally specific, indeed perform relatively worse than U.S. non-comedies in a number of East Asian markets. The contents of U.S. adventure movies, in contrast, are arguably less culturally specific and indeed perform better than non-adventure movies.

This study extends the second line of research. Instead of using genres as indicators of content elements, this study focuses on the Academy Awards and makes a number of arguments: 1) Academy Awards can be considered as indicators of cinematic qualities and achievement, 2) different types of awards indicate cinematic qualities and achievement which are more or less culturally specific, and 3) the value of the more culturally specific cinematic qualities and achievement, which would suffer from cultural discount to a larger extent. The next two sections explicate these arguments and set up the hypotheses.

3 The Academy Awards as indicators of cinematic qualities and achievement

The idea that an award-winning movie (or one with numerous nominations) should earn more at the box office sounds like straightforward common sense. After all, movie distributors often incorporate information about award wins and nominations when promoting a movie (Gemser et al. 2008). In fact, with a matched sample of 131 award-nominated movies and 131 non-nominated movies, Nelson et al. (2001) found that nomination and winning of the Academy Awards do influence U.S. movies' domestic box office in the weeks after the nomination and award announcement. According to their estimation, for a movie opened in the fourth quarter of the year, nomination for the best picture award is worth $7,829,797, while winning a best actor/actress award can enhance the box office by $5,561,894.

The utility of award information as a promotional tool, however, is limited by the fact that such information is often available only after the end of a movie's theatrical release. If awards are influential signaling devices and nothing else, then there seems to be little reason to expect a positive award–box office relationship when all movies are considered together (Chang and Ki 2005). It is because most of the nominated movies would have ceased to be in release by the time of award nomination announcement. Any impact of the awards on the box office of those few movies still in release may be diluted to become insignificant.

Nevertheless, numerous studies have included award variables in predictive models of cumulative box office revenues and indeed found significant "award

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[1] This argument is also related to Straubhaar's (1991) concept of cultural proximity.

effects" (e.g., Baimbridge 1997; Einav 2007; Litman 1983; Litman and Ahn 1998; Smith and Smith 1986; Sochay 1994; Terry et al. 2005; Wyatt 1994).[2] One way to make sense of such "award effects" is to argue that, besides being market signals, awards are also content indicators. That is, awards indicate the presence of certain cinematic qualities and achievement, and to the extent that the cinematic qualities and achievement concerned have audience appeal, then we can expect awards to relate positively to box office revenues.[3] To put it concretely, being nominated for the best screenplay awards can be treated as an indicator of the existence of a high-quality script. In addition, if a high-quality script is valued by the audience, then movies nominated for the relevant awards should have higher box office receipts. In this case, what actually draw audience to the movies are the quality scripts. The awards only serve as indicators of the presence of the scripts. Hence, the award–box office relationship would not be dependent on the movies' release time.[4]

Obviously, awards can be both signals and indicators. A simple approach to differentiate between the two is to examine: (1) whether a positive award–box office relationship can be found among movies with pre-award announcement theatrical release, and (2) whether the award–box office relationship would become stronger among movies which are still in release at the time of the award announcement. If the answer to the first question is yes and to the second question is no, then it would mean that the award–box office relationship is completely a result of "awards as content indicators." If the answer to the first question is no and to the second is yes, then the award–box office relationship is completely a result of "awards as market signals." If the answer is yes to both questions, then there are signs showing that awards function as both indicators and signals.

For the purpose of this study, however, whether the Academy Awards serve as market signals is unimportant. We only need to establish the point that the Academy Awards indicate cinematic qualities and achievement, and that such cinematic qualities and achievement have certain audience appeal. Therefore, the first two hypotheses for the analysis are as follows:

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[2] There are exceptions. For example, Prag and Casavant (1994) find that the positive impact of award on movie rentals in their sample of movies would become insignificant when advertising cost of the movies was controlled. Also, see Litman and Kohl (1989).

[3] This distinction between awards as signals and as measures is analogous to the distinction, made by Eliashberg and Shugan (1997), between the role of movie reviewers as influencers and as predictors. For Eliashberg and Shugan (1997), critics are influencers when potential audiences treat reviews as informational cues or signals to determine whether a movie is worth watching or not. However, critics can also simply be predictors—it is possible that critics' opinions can predict box office simply because their opinions are indeed a good measure of the audience appeal a movie has. Certainly, critics can be both in reality, and a number of studies have attempted to identify the relative importance of the two roles (e.g., Basuroy et al. 2003; Boatwright et al. 2007; Reinstein and Snyder 2005).

[4] Certainly, the Academy Awards embody the judgments of the members of the Academy. It would be naive to assume that the quality judgments of the Academy members would always correspond to the audience's own judgments regarding whether a movie is enjoyable or not (see Levy 2003). Yet the argument here is not that the content elements indicated by the Academy Awards always have audience appeal. The point is that if the content elements indicated by the Academy Awards are appealing to the audience, then a positive relationship between awards and box office can be expected.

H1   U.S. movies' performance in the Academy Awards is positively related to their box office receipts in East Asian countries.

H2   The relationship posited in *H1* should be applicable to movies with theatrical release ended before the announcement of the Academy Award nominations.

H1 postulates a general positive award–box office relationship. *H2* attempts to validate the argument that at least part of that relationship can be understood in terms of awards as indicators of cinematic qualities and achievement which have audience appeal.

4 Cultural specificities of cinematic qualities and achievement

The argument that awards can be considered as indicators of cinematic qualities and achievement has important implications on the kind of research questions we can ask and how the award variables should be operationalized. Many existing studies on award effects have operationalized the award variables by focusing only on or giving larger weights to the "major awards" of best director, best picture, and best actor/actress (e.g., Hennig-Thurau et al. 2006; Litman 1983; Sochay 1994; Simonoff and Sparrow 2000). This practice, however, assumes that awards primarily function as signals: if the relationship between awards and box office is understood as the result of awards serving as informational cues, then it would make sense to focus on the more prominent awards.

However, if we consider awards as indicators of content elements, then there is little reason to emphasize only the so-called major awards. Different awards simply refer to different cinematic qualities and achievement, and the most prominent awards may not represent the qualities with the most audience appeal. For instance, the best visual effects and the best music (score) awards may not be people's main focus in the Oscar ceremony, but the audience appeal of the cinematic qualities and achievement these awards indicate may not be weaker than the audience appeal of a good performance by a leading actor.

Therefore, instead of focusing on the major awards, this study adopts a distinction between drama and non-drama awards. The distinction is based on Simonton's (2002, 2004) research on cinematic achievement and creativity, which shows that the dramatic, visual, technical, and musical aspects of movies can be differentiated from each other. They constitute different "creative clusters." Yet in another study, Simonton (2005) shows that the degrees to which movies excel in the dramatic cluster are unrelated to production budgets, whereas excellence in the other clusters is significantly related to budgets. Such findings show that the distinction among the visual, musical, and technical clusters is less important than the distinction between these clusters on one hand and the dramatic cluster on the other.

Certainly, the drama versus non-drama distinction ignores a lot of nuances and complexities. Yet this parsimonious distinction is highly suitable for this study, given our interests in the possibility that the audience appeal of different types of cinematic qualities can be more or less culturally specific. More specifically, we

may postulate that the dramatic aspects of a movie (the narrative, its unfolding, and its acting out) are relatively more culturally specific than the audiovisual and technical aspects of a movie (e.g., songs, special effects, costumes, etc.). Whether someone likes a script or not is likely to be partly affected by factors such as their acceptance of the social and cultural values embedded in the story and familiarity with the narrative conventions being employed. In contrast, although different cultures do have their own artistic conventions, judgments regarding what is pleasing to the ear or what is visually spectacular are arguably *relatively* less subject to the influence of culture.

Moreover, the distinction between the dramatic and non-dramatic qualities and the argument that the former is relatively more culturally specific can also be tied to the notion of the high-concept Hollywood blockbusters (Stringer 2003; Wyatt 1994). In one sense, blockbusters are movies which emphasize investments in the non-dramatic creative clusters (musical, visual, technical) in the production of compelling spectacles. Although it would be wrong to dismiss the importance of narrative structures to blockbusters (King 2000, 2002), it should be safe to state that the often extraordinary box office grosses of these movies are attributable mainly to their spectacular aspects. Meanwhile, focusing on the case of Hong Kong, Lee (2006b) shows that the Hong Kong box office receipts of U.S. blockbusters can be predicted by their U.S. box office to a larger extent (when compared to non-blockbusters). The finding, according to Lee (2006b), suggests that the blockbusters are subjected to a lesser degree of localized reception. This, in turn, hints at the point that the major elements of the blockbusters, i.e., its visual, audio, and technical effects, are less culturally specific.

If the above arguments are accepted, then what patterns of award–box office relationships can we expect? First, if the dramatic aspects of movies are indeed more culturally specific, then we can expect that the values of the cinematic qualities and achievement signified by the drama awards would be discounted in foreign markets to a larger extent. It implies that drama awards may not have much positive relationship with foreign box office revenues after all. In the extreme scenario, drama awards may even relate negatively to foreign box office if the qualities the awards indicate are so culturally specific that they are not only unappreciated but also actually rejected by foreign audiences. Therefore, the following hypothesis is posited:

H3 The relationship between drama awards and U.S. movies' box office receipts in East Asia would be less positive than the relationship between non-drama awards and U.S. movies' box office receipts.

H3 is also based on the assumption that drama and non-drama awards should have similar relationships with box office receipts if culture is not a factor—this is indeed what Simonton (2005) found in his study on award nominated movies' U.S. domestic box office. However, when cultural difference enters into the equation, the pattern postulated in *H3* should result.

Lastly, since this study examines box office data in nine East Asian countries, there is another way to examine whether the award–box office relationship is indeed subject to the influence of cultural difference. If drama awards signify cinematic

qualities and achievement that are culturally specific, then the relationship between drama awards and box office receipts should be less positive in countries more culturally distant from the U.S. In contrast, if non-drama awards indeed signify cinematic qualities and achievement that are not culturally specific, then the relationship between non-drama awards and box office receipts should not be moderated by cultural distance. Therefore, our last hypothesis is the following:

H4 The relationship between drama awards and U.S. movies' East Asian box office receipts would be less positive in countries more culturally distant from the U.S., whereas the same phenomenon would not apply to non-drama awards.

5 Data and method

The nine countries analyzed in this study are Hong Kong, Taiwan, South Korea, Japan, Singapore, Malaysia, Thailand, Indonesia, and the Philippines. They cover almost all the most important movie markets in the region (with the obvious exception of China—but the number of U.S. movies shown in the country is severely limited by strict import quotas). It is notable that the nine countries vary significantly in terms of the strength of the local movie industries, levels of economic development, sizes of the local movie markets, and policies regarding movie imports. Such differences, however, are neither the core concerns of this study, nor are there any obvious reasons why such differences would pose problems to the validity of the conclusions derived from the following analysis.

Movie data analyzed in this study came from two online sources. The first is boxofficemojo.com, which contains information from the Motion Picture Association of America about the box office performance of movies featured in U.S. cinemas. The Web site is widely recognized and utilized by media and marketing scholars for research purposes (e.g., Dellarocas and Narayan 2006; De Vany and Walls 2007; Hennig-Thurau et al. 2007; Lee 2006a, 2008). This study focuses on the top 100 movies shown annually in the U.S. from 2002 to 2007. However, 15 of the 600 movies in the six years' top-100 lists were not U.S. productions.[5] Hence, the dataset has a total of 585 movies.

Besides U.S. box office and release dates, the Web site also provides information about box office figures and release dates of the movies in foreign countries, including the nine East Asian countries being examined here. Other information recorded from the Web site are the year of showing and production budget. Table 1 shows the descriptive statistics of the major variables derived from the Web site. As mentioned, the sizes of the market for U.S. movies vary substantially across East Asia. The average box office receipts of a U.S. movie in Japan are about 25 times of the average box office receipts of a U.S. movie in Indonesia. It should also be noted that the production budgets and box office variables are highly skewed, with a small number of movies involving extraordinary large budgets and earning extraordinary huge revenues. Following the past research, the budget and box office variables

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[5] Country of origin of the movies was recorded from the Internet Movie Database, the other online source utilized in this study.

Table 1 Descriptive statistics of box office figures

Variable	N	Mean BO	SD of BO	Mean RTL
Production budget	472	59.78	46.70	
U.S. box office	585	81.97	69.57	
East Asian box office				
Hong Kong	373	912.77	1191.39	48.38
Taiwan	414	1165.85	1729.46	43.91
South Korea	337	4405.55	6782.79	66.13
Japan	366	12617.29	20617.47	100.23
Singapore	278	747.15	827.24	37.78
Malaysia	218	668.90	840.17	37.64
Thailand	313	738.96	992.38	43.47
Indonesia	207	500.64	644.72	46.34
Philippines	289	621.78	957.56	43.99

Note: Production budget and U.S. box office are in US\$ million. All the other variables are in US\$ thousands. "RTL" refers to release time lag, i.e., the time lag between U.S. opening and opening at each of the specific East Asian markets

were log-transformed in the statistical analysis (e.g., Prag and Casavant 1994; Smith and Smith 1986).

Besides box office, Table 1 also shows the descriptive statistics regarding the release time lag variable, which refers to the time gap, measured simply in number of days, between a movie's U.S. opening and its opening in a specific foreign market. It is widely observed that the release time lag of U.S. movies has shortened over the years (Miller et al. 2005).[6] It is possible that shorter release time lags would be associated with larger box office receipts. Hence, this study includes the variable as a control.[7]

There are various numbers of "missing cases" for the different markets. For example, Hong Kong box office figures of 212 of the 585 movies were unavailable. These "missing cases" are of two types: (1) movies not released in Hong Kong and (2) "real missing cases," i.e., movies which were shown in the city but without available box office receipts. It is difficult for the present author to ascertain exactly how many "real missing cases" are there for the nine countries, but it is likely that unreleased movies, rather than "real missing cases," constitute the bulk of the cases without box office figures.

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[6] In the current dataset, with the exception of Japan (average release time lag = 113 days), the average release time lag for the other markets ranges from only about 38 days in Malaysia to about 66 days in South Korea. These figures are substantially smaller than those reported by Elberse and Eliashberg (2003) regarding the release time lag of 164 U.S. movies in the year 1999 in four European countries, which ranged from 112 days in UK to 140 days in Germany. The difference probably illustrates both regional variations (local movie industries may be generally weaker in East Asian markets, and therefore, U.S. distributors may be more capable of getting their preferred release time slots) and historical change (the shortening of release time lag over the years).

[7] Zero and 180 were set as the lower and upper limits of the release time lag variable to avoid the results from being heavily influenced by outlying values on the variable.

There are two ways to handle the available data. To use Hong Kong as the example again, first, we may analyze only the 373 movies with Hong Kong box office receipts and treat them as a sample of the U.S. movies which were *actually shown* in the city. This approach assumes that the "real missing cases" do not introduce systematic biases into the sample, and it focuses only on how the Hong Kong audience members chose to watch or not to watch U.S. movies which were in fact available to them. It does not concern with how international distributors select whether to release a movie in Hong Kong or not. The second approach, in contrast, is to adopt Heckman's (1979) two-stage procedure to take into account the possible "sample selection biases" introduced by the distributors' decisions.

The following analysis adopts the first as its "primary approach" because this study is concerned mainly with how the audience actually chose to watch certain movies at the box office. After all, the audience did not make the release decisions. At most, distributors make their decisions partly based on their understanding and perceptions of the tastes of the local audience. Nevertheless, analysis following Heckman's (1979) procedure was also conducted to examine the robustness of the findings. The relevant analysis will be briefly reported after the more detailed reporting of the "primary analysis."

Other movie information was derived from imdb.com, a database even more widely used by researchers. Each movie was coded in terms of the genres it belongs to (a movie can belong to multiple genres). However, to prevent the inclusion of too many variables, the following analysis will include "comedy" and "adventure" only. Lee (2008) found that U.S. comedies performed consistently worse than non-comedies in East Asian markets, whereas adventures performed consistently better. Hence, it would be useful to include them as controls.

The imdb.com Web site also provides information about each movie's award records. We focus only on the Academy Awards. Based on the concern with drama versus non-drama awards, the following variables were created: number of drama award wins, number of non-drama award wins, number of drama award nominations, and number of non-drama award nominations. Following Simonton (2002, 2005), drama awards include best director, best leading and supporting actor/actress, best screenplay (original or adapted), and best film editing. All others, including best picture, were counted as non-drama awards.[8]

However, how can we be sure that the drama versus non-drama distinction is what really matters? It should be noted that three of the drama awards—best actor, best actress, and best director—are also what marketing researchers usually consider as among the four "major awards" (the fourth being best picture). In other words, there can be a high degree of conflation between the drama–non-drama distinction and the major–non-major distinction. Hence, a number of additional variables were

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[8] Admittedly, this operationalization means that the non-drama awards would include a number of awards which may not belong to the technical, visual, or musical clusters identified by Simonton (2002, 2005). Presumably, we can create variables representing each single cluster, while using an "other" category to capture the remaining awards. However, this obviously would over-complicate the analysis and also create problems of multicollinearity in the regression analysis. As far as the arguments in this study are concerned, the distinction between drama and non-drama awards is the most important. Hence, the current operationalization should provide the most reasonable basis for analysis.

created: number of major wins, number of non-major wins, number of major nominations, number of non-major nominations, total wins, and total nominations. These variables will all be used in a preliminary analysis, reported in the next section, to ascertain the significance of the drama–non-drama distinction.

Lastly, besides information about individual movies, we also need information about cultural distance between the U.S. and each of the nine East Asian countries under study to test *H4*. We adopted the value-based indices developed by Hofstede (1980) who identified four value dimensions that differentiate members of one culture from another: power distance, uncertainty avoidance, individualism versus collectivism, and masculinity versus femininity. Although Hofstede's work is not without critiques (e.g., Shenkar 2001; Yoo and Donthu 1998), it remains the most systematic framework which can be adopted for the present purpose. In fact, Hofstede's model has been used by media economists to address the influence of cultural differences on movies' foreign box office (Fu and Lee 2008).

Technically, the scores of U.S. and each of the nine East Asian countries on the four cultural dimensions were recorded from Hofstede (2001). Then, each country's cultural distance from the U.S. was computed by Kogut and Singh's (1988) formula:

$$\text{CD}_j = \sum_{I=1} \left\{ \left(I_{ij} - I_{iu} \right)^2 \Big/ V_i \right\} \Big/ 4$$

CD_j is the cultural difference of country j from the United States. Iij is the value for country j on the ith cultural dimension, whereas I_{iu} is the value for the U.S. on the same dimension. V_i is the variance of the ith cultural dimension. This index, or its variant, has been widely adopted by scholars in international business or cross-cultural communication studies (e.g., Craig et al. 2005; Kale 1991).

6 Analysis and results

6.1 Preliminary analysis: the drama–non-drama award distinction

Before testing the hypotheses, it would be important to have some preliminary analysis to ascertain whether some basic arguments and assumptions underlying the hypotheses, e.g., the significance of the distinction between drama and non-drama awards, are valid. As explicated above, for this purpose, we created a total of 10 award variables ("wins or nomination" X "drama, non-drama, major, non-major, or total"). Table 2 shows the correlations among the award variables as well as the correlation between awards and production budget.

A number of findings are noteworthy. First, as indicated earlier, there is a high degree of conflation between the drama–non-drama award distinction on one hand, and the major–non-major award distinction on the other. For instance, the correlation coefficient between major nominations and drama nominations is .91, and the correlation coefficient between non-major nominations and non-drama nominations is .97. Second, the first row of Table 2 shows that not all award variables relate to production budgets in the same way. Echoing Simonton's (2005)

Table 2 Correlations between award variables and production budget

	2	3	4	5	6	7	8	9	10	11
1. Budget	.08	−.11*	.15**	−.09	.18***	.03	−.05	.06	−.10*	.10*
2. Total Nomination	–	.80***	.97***	.94***	.93***	.74***	.52***	.72***	.64***	.65***
3. Major Nomination		–	.64***	.91***	.57***	.60***	.66***	.50***	.74***	.40***
4. Non-major Nomination			–	.73***	.97***	.72***	.42***	.73***	.53***	.68***
5. Drama Nomination				–	.58***	.62***	.59***	.54***	.75***	.42***
6. Non-drama Nomination					–	.70***	.38***	.71***	.44***	.70***
7. Total win						–	.69***	.96***	.76***	.93***
8. Major win							–	.48***	.82***	.48***
9. Non-major win								–	.62***	.96***
10. Drama win									–	.47***
11. Non-drama win										–

Note: Entries are Pearson correlation coefficients. The budget variable was natural logged. $N = 472$ for correlations between budget and award variables; $N = 585$ for correlations among award variables

*** $p < .001$; ** $p < .01$; * $p < .05$

findings, the non-drama award variables seem to have the strongest positive relationships with budgets: Among the five nomination variables, non-drama nomination has the largest positive coefficient ($r = .18$, $p < .001$), and among the five award win variables, non-drama win also has the most positive coefficient ($r = .10$, $p < .05$). At the same time, drama win and major nomination even have significant negative relationships with production budgets ($r = -.10$ and $-.11$, respectively, $p < .05$ in both cases).

More importantly, the first row of Table 2 also shows that as far as relationships with production budgets are concerned, the drama–non-drama distinction indeed seems to be the more important one. While major wins and non-major wins are not significantly related to production budgets ($r = -.05$ and $.06$, respectively, $p > .05$ in both cases), both drama wins and non-drama wins are significantly related to budgets ($r = -.10$ and $.10$, respectively, $p < .05$ in both cases). Besides, while non-major nomination is positively and significantly related to budget ($r = .15$, $p < .01$), the correlation is even more strongly positive in the case of non-drama awards ($r = .18$, $p < .001$).

The same conclusion about the importance of the drama–non-drama award distinction can also be derived from looking at the award–box office correlations. Since Table 2 shows that production budgets can relate to different types of awards differently, Table 3 provides the partial award–box office correlation coefficients with budget controlled. All the 10 award variables are positively related to U.S. box office. However, in the East Asian market, it is mainly the non-major and non-drama award variables which are positively related to box office. In addition, between the two sets of variables, the non-drama award variables seem to have slightly stronger correlation coefficients.

At the same time, it is interesting to note that some of the drama award variables obtained statistically significant negative coefficients (the relationships between drama nomination and box office in Singapore, Malaysia, Thailand, and the Philippines).

On the whole, the findings in Tables 2 and 3 support some of the presumptions underlying our analysis. Based on the preliminary analysis, the drama and non-drama nomination variables will be used in the multivariate analysis. It is because the nomination variables seem to be more capable of capturing the stronger relationships between awards and box office receipts. For example, the relationship between non-drama nomination and Japanese box office is .25, whereas the relationship between non-drama win and Japanese box office is only .17. Similarly, the relationship between Malaysian box office and drama nomination is $-.39$, whereas that between Malaysian box office and drama win is only $-.22$. We do not use both nominations and wins because they are conceptually redundant in this study and methodologically problematic—a high degree of multi-collinearity would be generated when numerous award variables are used simultaneously.

6.2 Relationship between academy awards and East Asian box office

Some of the findings in Table 3 are already showing signs of supporting some of the hypotheses. Most notably, the fact that mainly non-drama awards, rather than drama awards, have positive relationships with East Asian box office is supportive of *H3*

Table 3 Partial correlations between award variables and logged box office

	U.S.	HK	Taiwan	Korea	Japan	SG	Malaysia	Thailand	Indonesia	Philippines
Nomination										
Total	.20***	.10	–.01	.08	.23***	–.04	–.13	–.07	.06	–.19***
Major	.12**	.01	–.07	–.03	.14**	–.17**	–.33***	–.16**	.01	–.26***
Non-major	.21***	.12*	.01	.11	.24***	.01	–.07	–.02	.04	–.14*
Drama	.11**	.01	–.06	–.03	.16**	–.21***	–.39***	–.17**	–.09	–.32***
Non-drama	.23***	.14**	.03	.16**	.25***	.07	–.01	.02	.07	–.10
Win										
Total	.19***	.11*	.09	.12*	.17***	.08	.01	.03	.10	–.04
Major	.12**	.02	.00	.03	.09	–.08	–.26***	–.07	–.04	–.16*
Non-major	.19***	.13*	.11*	.14*	.17***	.12	.08	.07	.13	.00
Drama	.16***	.03	.01	.04	.13*	–.08	–.22***	–.08	–.03	–.17**
Non-drama	.18***	.14**	.12*	.14*	.17***	.14*	.08	.08	.13	.02
N	469	306	335	270	304	212	169	244	163	226

Note: The box office variables were natural logged. Entries are partial correlation coefficients with production budget controlled

**** $p < .001$; *** $p < .01$; * $p < .05$

and the argument that the cinematic qualities the drama awards indicate are more culturally specific. Also, hinting at the cultural specificity of the drama awards is the fact that they are positively related to U.S. box office but not to East Asian box office (with Japan as the exception).

For a more formal analysis of the hypotheses, multiple regression was conducted. As mentioned earlier, our primary analytical approach is to focus only on the movies actually shown in the various East Asian markets. The logged box office receipts in the nine East Asian countries were the dependent variables. The independent variables include a number of dummy variables representing year of showing (used to capture possible idiosyncracies in individual years), logged production budget, release time lag, comedy, adventure, number of drama award nominations, and number of non-drama award nominations. Table 4 summarizes the results.

H1 predicts that the Academy Awards should relate positively to box office receipts. Table 4, however, more or less repeats the patterns shown in Table 3, which suggests that *H1* cannot be regarded as being supported in a straightforward manner. On one hand, non-drama award nomination is indeed positively related to box office receipts in all the nine countries, and the relationship is statistically significant in seven cases. However, on the other hand, drama nomination is negatively related to box office receipts in eight of the nine countries, and the relationship is statistically significant also in seven cases. Therefore, the relationship between awards and box office is heavily dependent on the types of awards one is referring to.

Nevertheless, this pattern of finding fits with what *H3* predicts. However, before we discuss *H3*, we should address *H2* first. To recapitulate, if awards serve primarily as indicators of cinematic qualities and achievement, then the award–box office relationships should apply equally to movies released before and after the Academy Award nomination announcement. If awards serve primarily as market signals, then the award–box office relationships should apply mainly to movies released after award announcement. This study's argument is that awards function at least partly as content indicators. Hence, *H2* predicts that the award–box office relationships should apply to movies released before the award season.

In order to examine *H2*, the samples of movies were split into two sub-samples for each country according to the movies' release dates in the specific market. "Pre-Oscar" release includes all movies released before the end of a calendar year, whereas "post-Oscar" release includes all movies released after the end of the year. Since the Academy Award nominations were usually announced in late January or early February, using end of year as a cut-off point is to take into account the point that a movie released in early January, for instance, is likely to have its release extending into the period after the Oscar nomination announcement.[9]

After splitting the sample, the regression model in Table 4 was conducted again for each sub-sample in each country, i.e., a total of 18 regressions were conducted. Instead of showing all the results of the regressions, Table 5 summarizes the regression coefficients of the drama nomination and non-drama nomination variables for each sub-sample in each country.

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[9] A more precise splitting of the sample is possible if we have the ending dates of the movies' theatrical releases. Unfortunately, no such information is available.

Table 4 Regression analysis on box office revenues

	HK	Taiwan	S. Korea	Japan	Singapore	Malaysia	Thailand	Indonesia	Philippines
Year 2003	−.391* (.173)	−.019 (.192)	.201 (.275)	−.036 (.272)	−.279 (.171)	−.250 (.213)	−.048 (.197)	−.303 (.175)	−.202 (.181)
Year 2004	−.112 (.173)	.340 (.192)	.244 (.277)	−.205 (.272)	−.164 (.171)	−.072 (.211)	−.062 (.195)	−.196 (.175)	−.107 (.181)
Year 2005	.082 (.173)	.400* (.193)	−.047 (.276)	−1.081*** (.274)	−.278 (.172)	−.220 (.213)	−.166 (.196)	−.435* (.175)	−.350 (.182)
Year 2006	.190 (.173)	.465* (.193)	.034 (.273)	−.626* (.273)	−.183 (.171)	−.225 (.212)	−.141 (.195)	−.086 (.174)	−.455* (.181)
Year 2007	.051 (.174)	.322* (.195)	.161 (.276)	−.807*** (.275)	−.176 (.173)	.147 (.216)	−.083 (.198)	.222 (.176)	−.223 (.183)
Budget	.444*** (.066)	.544*** (.074)	.496*** (.108)	.736*** (.103)	.490*** (.067)	.476*** (.084)	.601*** (.073)	.420*** (.069)	.586*** (.070)
Time lag	−.012*** (.001)	−.010*** (.001)	−.010*** (.003)	−.010*** (.001)	−.009*** (.001)	−.011*** (.002)	−.011*** (.002)	−.008*** (.001)	−.008*** (.001)
Comedy	.155 (.103)	−.110 (.115)	−.378* (.162)	−.151 (.162)	.110 (.101)	−.161 (.126)	−.302* (.118)	−.342** (.105)	−.280* (.111)
Adventure	.459*** (.125)	.302* (.139)	.303* (.197)	.067 (.196)	.238 (.124)	.296 (.155)	.515*** (.142)	.261* (.128)	.419** (.131)
Drama nom.	−.085 (.076)	−.138 (.085)	−.308* (.121)	.069 (.120)	−.336*** (.075)	−.667*** (.094)	−.341*** (.086)	−.168* (.077)	−.440*** (.080)
Non-drama nom.	.192** (.055)	.089 (.061)	.257** (.088)	.215** (.088)	.201*** (.055)	.266*** (.068)	.159* (.063)	.118* (.056)	.101 (.058)
Adjusted R^2	.514***	.444***	.395***	.411***	.561***	.636***	.580***	.610***	.564***
N	306	322	273	306	215	165	243	157	227

Note: Year 2002 was used as the reference category in the analysis. Entries are unstandardized regression coefficients. Bracketed numbers are standard errors. All the box office variables and the budget variable were natural logged

*** $p < .001$; ** $p < .01$; * $p < .05$

Table 5 Impact of Oscar award nomination in pre- and post-Oscar release

	Drama award nomination		Non-drama award nomination	
	Pre-Oscar	Post-Oscar	Pre-Oscar	Post-Oscar
Hong Kong	−.106	.129	.244***[a]	.011[a]
	(.113)	(.109)	(.062)	(.087)
Taiwan	−.023	−.089	.153*	.002
	(.121)	(.110)	(.069)	(.095)
South Korea	−.034	−.211	.242**	.072
	(.183)	(.174)	(.087)	(.169)
Japan	.290	.054	.197	.117
	(.265)	(.149)	(.113)	(.116)
Singapore	−.168	−.183	.211**	−.046
	(.165)	(.168)	(.064)	(.138)
Malaysia	.006	−.729**	.163*	.122
	(.320)	(.226)	(.079)	(.152)
Thailand	−.256	−.092	.181**	−.065
	(.149)	(.134)	(.068)	(.114)
Indonesia	−.408*	−.357	.109	.130
	(.181)	(.236)	(.087)	(.092)
Philippines	−.356*	−.272	.176	−.050
	(.179)	(.186)	(.094)	(.099)

Note: Entries are the unstandardized regression coefficients derived from running the regression analyses in Table 4 again but with the sample of movies in each country separated into the sub-samples of pre-Oscar and post-Oscar releases, respectively. The pair of coefficients sharing the subscript "a" differ from each other at $p < .05$. All other pairs of coefficients are not significantly different from each other

*** $p < .001$; ** $p < .01$; * $p < .05$

The findings are on the whole supportive for *H2*. In the first two columns, we see that the significant negative relationships between drama nomination and box office receipts have largely become insignificant. This, however, was mainly due to the decreased actual sample size in the sub-sample analysis. In most countries, the coefficients of the drama nomination variable remain similarly negative in the two time periods, and in none of the nine countries do the two corresponding coefficients of the drama nomination variable significantly differ from each other. It suggests that any significant negative relationship between drama award and box office receipts should be considered as equally applicable to the two time periods.

Interestingly, the third and fourth columns of the table show that the non-drama award nomination variable's positive relationship with box office applies mainly in the pre-Oscar period. The regression coefficients of the nomination variable are statistically significant in six countries in the pre-Oscar period, but in none of the nine cases in the post-Oscar period. However, except in the case of Hong Kong, the corresponding coefficients in the two columns do not differ from each other significantly. Again, the impact of the award variable is applicable to both the pre- and post-Oscar periods. *H2* is supported.

We can now return to Table 4 and *H3*, which states that the relationship between drama award and box office receipts should be less positive than the relationship between non-drama award and box office receipts. Table 4 shows exactly this pattern. Technically, in South Korea, Singapore, Malaysia, Thailand, and Indonesia, drama and non-drama nominations are both statistically significant but in different directions. It means that the coefficients of both variables are different from zero and yet on different sides of the zero-point on the number line. It also means that the coefficients are different from each other. For the cases of Hong Kong, Taiwan, Japan, and the Philippines, whether the coefficients of the non-drama nomination variable differ significantly from those of the drama nomination variable was examined by calculating a *t* value following Cohen and Cohen's (1983) formula. The results show that the two coefficients indeed differ from each other significantly in all the four cases ($t = 6.04$, 3.97, 2.43, and 9.35 for Hong Kong, Taiwan, Japan, and the Philippines, respectively, $p < .05$ in all cases). In other words, *H3* is supported in all the nine East Asian markets under study.

6.3 Cultural distance and "award effects"

Lastly, *H4* predicts that the relationship between drama awards and box office receipts should be less positive in countries more culturally distant from the U.S., whereas the same phenomenon should not apply to non-drama awards. Since drama awards actually have mostly negative relationships with box office receipts in East Asian countries, *H4* can be rephrased as predicting that the negative relationship should be stronger (i.e., more negative and hence less positive) in countries more culturally distant from the U.S.

Table 6 summarizes the data relevant to the testing of *H4*. As explicated earlier, this study follows Hofstede's (1980, 2001) conceptualization and Kogut and Singh's (1988) formula to calculate the cultural distance score. Among the nine countries, Japan is the least culturally distant from the U.S., whereas Malaysia is the most culturally distant. The nine countries were ranked 1 to 9 according to the score (from the least distant to the most distant).

The other columns summarize the findings of the regression analysis reported in Table 4. Besides the unstandardized regression coefficients, the standardized coefficients are also included as it is arguably a better indicator of "effect size." Besides, the nine countries are also rank-ordered from 1 to 9 according to the sizes of the standardized coefficients (from the least positive/most negative to the most positive/least negative).

Support for *H4*, then, is shown by the significantly negative correlation between cultural distance and both the unstandardized and the standardized coefficients of the drama award variable ($r = -.86$ and $-.85$, respectively, $p < .01$ in both cases). In fact, it is highly remarkable that the relationship can attain statistical significance when there are only nine cases. Similarly, if we correlate the rankings, then we can also see that the ranking of cultural distance is significantly related to the ranking of the size of the standardized coefficient of the drama award nomination variable (Spearman *rho* = $-.78$, $p < .05$).

Table 6 Cultural distance and impact of Oscar award nomination

	Cultural distance		Impact of drama award nomination			Impact of non-drama award nomination		
	Score	Rank	b	β	Rank	b	β	Rank
Japan	1.80	1	.069	.032	9	.215	.140	4
Hong Kong	2.24	2	−.085	−.057	8	.192	.180	5
Taiwan	2.73	3	−.138	−.087	7	.089	.078	1
Philippines	2.88	4	−.440	−.297	2	.101	.095	2
Thailand	2.98	5	−.341	−.212	4	.159	.137	3
Indonesia	3.25	6	−.168	−.141	6	.118	.138	4
South Korea	3.31	7	−.308	−.155	5	.257	.180	7
Singapore	3.32	8	−.336	−.259	3	.201	.216	8
Malaysia	3.94	9	−.667	−.431	1	.266	.239	9
Correlation with cultural distance								
Score			−.86**	−.85**		.43	.56	
Rank					.78*			−.60

Note: Entries under the "*b*" and "*β*" columns are derived from the regression analyses reported in Table 4. The rankings of the impact of drama and non-drama award nominations were based on *β*-values

** $p < .01$; * $p < .05$

In contrast, there is no significant correlation between cultural distance and the impact of the non-drama award nomination variable, no matter whether the scores or the rankings are concerned. Therefore, we have evidence showing that the audience appeal of the cinematic qualities and achievement indicated by the drama awards are culturally specific. Yet the same does not apply to the non-drama awards.

6.4 Analysis taking distributor selection biases into account

While the above analysis supports the hypotheses of the study, as mentioned earlier, we can test the robustness of the findings by taking into account the possible "sample biases" introduced by the decisions made by international distributors regarding what movies to show in a market. For this purpose, Heckman's (1979) two-stage procedure was followed. A set of dichotomous variables was first constructed by recoding all those movies with valid box office figures in a market as 1 and those without box office information as 0. The assumption is that movies without valid box office figures were not released. A set of probit regression was then conducted, in which the dummies representing year of showing, logged U.S. box office, logged budget, comedy, adventure, number of drama award nominations, and number of non-drama award nominations were used to predict whether different movies were shown in a specific foreign market.[10] Based on the results of the probit regression, the inverse Mills ratio for each individual movie in each market was

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[10] Logged U.S. box office was added into this probit model such that the inverse Mills ratios derived from the analysis would not be heavily correlated with the other major independent variables in the original regression model.

calculated. The ratio was then added into the regression model presented in Table 4 as an additional control variable.

Table 7 summarizes the most important results from the regression analysis. A few points are worth noting. First, the variable "Lambda" (i.e., the inverse Mills ratio) obtains a statistically significant coefficient only in the case of Singapore. This shows that the selection biases of the distributors actually have limited impact on the box office prediction model in most East Asian markets. Second, the first two columns of the table show that the results regarding the two award variables remain largely the same. Drama award nomination is significantly and negatively related to box office receipts in five of the nine markets, whereas non-drama award nomination is significantly and positively related to box office receipts in seven markets. Therefore, Table 7 shows that there is no need for revising our conclusion regarding *H1* and *H3*. Further analysis of the difference between pre- and post-Oscar release shows that there is also no need for revising our earlier conclusion regarding *H2*.

Furthermore, if we replace the relevant figures (i.e., the regression coefficients and the rankings) in Table 5 with those resulting in the current analysis, the relationship between cultural distance and the impact of drama award nomination

Table 7 Impact of Oscar nominations after the Heckman procedure

	Drama award nomination	Non-drama nomination	Lambda
Japan	.057	.161*	−1.495
	(.106)	(.072)	(.948)
Hong Kong	.011	.150**	−.169
	(.069)	(.045)	(.648)
Taiwan	−.046	.077	−.516
	(.076)	(.053)	(.630)
Philippines	−.459***	.053	.898
	(.102)	(.056)	(.523)
Thailand	−.342***	.123*	.088
	(.083)	(.053)	(.486)
Indonesia	−.324*	.127*	−.200
	(.146)	(.051)	(.501)
South Korea	−.160	.173*	.425
	(.102)	(.073)	(.682)
Singapore	−.363***	.191***	.974*
	(.084)	(.051)	(.411)
Malaysia	−.901***	.218***	.333
	(.116)	(.054)	(.458)

Note: Entries in the first three columns are unstandardized regression coefficients derived from regression using logged box office figures as the dependent variables and the variables included in Table 4, plus the Lambda scores for the respective countries, as the independent variables. Bracketed numbers are standard errors

*** $p < .001$; ** $p < .01$; * $p < .05$

would remain statistically significant ($r = -.83$, $p < .01$ for the relationship between cultural distance and the standardized regression coefficient of the drama award nomination variable, and Spearman $rho = -.76$, $p < .01$, for the relationship between ranking of cultural distance and ranking of the impact of drama award nomination). In other words, support for *H4* also remains intact. The findings of the previous analysis are quite robust.

7 Discussion

Following a line of research which draws upon the concept of cultural discount to analyze U.S. movies' performance in foreign markets (Fu and Lee 2008; Lee 2006a, 2008), this study suggests that the Academy Awards can be another interesting window through which we can observe how culture influences foreign audiences' reception of U.S. movies. Looking at U.S. movies' box office in East Asia, this study shows that the Academy Awards can be useful indicators of cinematic qualities and achievement. However, the qualities and achievement indicated by the Awards do not always "sell." Instead, different types of cinematic qualities and achievement may or may not have significant appeal to the East Asian audience.

More specifically, we argue that a distinction between the dramatic and non-dramatic aspects of a movie, simple and general though it is, should be useful in differentiating qualities which are relatively more and less culturally specific. The above analysis supports this argument. In the context of multiple regression, the number of non-drama award nominations a movie has is significantly positively related to its box office in almost all East Asian countries. In contrast, number of drama award nominations is negatively related to box office receipts in most East Asian markets. Moreover, the negative relationship between drama award nomination and box office in East Asia is stronger in countries more culturally distant from the U.S.

These findings have a couple of straightforward implications. First, for the study of "award effects," the above analysis suggests that researchers should try to conceptually differentiate between types of awards and the content aspects they represent. Doing so would allow us to achieve a better understanding of the nature of "award effects," if there are any.

Second, the Academy Awards are culturally specific, and its cultural specificity has implications on its relevance to the world audience. In one sense, the cultural specificity of the Academy Awards is not surprising. The Academy has long been regarded as the upholders of the tastes of middlebrow America (Levy 2003; Roberts 2003), and seldom would people argue that the Academy Awards represent any culture-neutral evaluation of artistic merits or cinematic achievement. Yet this study remains, to the author's knowledge, among the first ones which demonstrate empirically how the cultural specificities of the awards (or at least some categories of awards) may be related to the commercial success of the movies in foreign markets.

Put within a broader concern of transnational consumption of popular culture, the findings can be interpreted as pointing toward the limitations of Hollywood's power

in shaping foreign audiences' reception of their movies, as well as the continual prevalence of local reception of Hollywood movies by foreign audiences (Lee 2006b). It is true that Hollywood is dominating the world's movie market (Miller et al. 2005), but it does not mean that Hollywood can impose their aesthetic judgments onto the world audience. The Oscar ceremony is nowadays arguably a global media event, watched live by tens of millions of homes every year (Epstein 2006, p. 14). However, the Academy Awards do not seem to work as strong market signals in the East Asian markets, and the cinematic qualities and achievement the awards refer to do not even necessarily have special appeal to the East Asian moviegoers. Instead, cultural differences tend to discount the values of the cinematic qualities and achievement indicated by the drama awards.

Nevertheless, it does not mean that there is nothing which the world's audience would all appreciate despite cultural differences. The fact that non-drama awards remain highly significant predictors of box office performance in the East Asian markets illustrates why there is arguably a trend for U.S. movie producers to downplay the narrative aspects of movies and focus more on the production of spectacles. Although King (2000, 2002) has rightly warned against the use of a simple narrative versus spectacles dichotomy in the understanding of blockbusters, the findings in this study nonetheless point to the fact that it is primarily the spectacular elements of the U.S. movies, rather than their narrative and dramatic aspects, which are relatively more attractive to the world's audience. As the world market's importance to the U.S. movie industry continues to rise, the relative emphasis on spectacles over narratives is likely to persist, if not deepen, in the future.

Certainly, this study has a number of limitations, and several issues are calling for further research. First, this study focuses only on nine East Asian countries. One may question whether the findings reported are specific to East Asia. If compared to Europe, East Asia is culturally more different from the U.S. to begin with, and there is also a significant degree of internal cultural diversities within the region. Whether the findings can be replicated in other regions such as Europe and Latin America, therefore, deserve to be examined.

Second, the drama versus non-drama award distinction is sufficient for the purpose of this study, but it admittedly remains a simple distinction. Simonton (2002, 2005), as discussed throughout this article, has differentiated among the drama, technical, visual, and musical clusters. Future research may adopt a more differentiating classification or an alternative conceptual categorization of award types.

Third, while this study shows that drama award nominations are negatively related to box office receipts, thus supporting the argument that the dramatic aspects of movies are more culturally specific, the statistical findings cannot tell us exactly what are culturally specific in those movies and their narratives. For example, according to the earlier findings, the six drama award nominations for the movie *Aviator* would have made it earning much less than a similar movie (in terms of budget, genres, release time lag, etc.) without drama award nominations in the markets of South Korea, Malaysia, Thailand, etc. This case is relatively easy to understand, since the movie is about the life of the American philanthropist and

industrialist Howard Hughes. However, by the same token, the five drama award nominations for *Babel* would also have adversely affected the box office performance of the movie in various East Asian markets. Yet what is culturally specific in *Babel*, which, according to imdb.com, involves "four interlocking stories……converge at the end and reveal a complex and tragic story of the lives of humanity around the world and how we truly aren't all that different"? Obviously, questions like this cannot be answered by looking at numbers and box office figures only. Qualitative stylistic and/or narrative analyses are probably needed.

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