

Strategic alliances in the Mexican film industry to acquire and maintain a competitive advantage from the decade of the nineties

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Abstract

The MFI (Mexican Film Industry) is an economic activity and one that is very important for society, because it is a cultural and recreational activity that generates jobs and that, at certain times, has contributed to the development of the country. In 2009, cultural and recreational industries came to indicate nearly 7% of the Gross Domestic Product (GDP) in Mexico (empresae exterior.com 2009). Given the importance of the FMI in terms of its contribution to the growth and development of Mexico, the overall objective of this research focuses on identifying and assessing the importance of the development of cooperation agreements among members of the productive chain, such as producers, distributors, and exhibitors, in order to create and sustain competitive advantages in this industry and the manner in which these advantages can be exploited to obtain superior results. Additionally, it sought to determine whether these agreements developed by the MFI have actually improved in terms of the aspects that led to their implementation, assessing the results in terms of number of films produced, jobs created, and product positioning.

Mexican film industry, strategic alliances, competitive advantage.

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Introduction

The world has undergone, and continues to undergo, a process of opening in new and different markets. Mexico has not remained behind in this movement, above all since the coming into effect of the North American Free Trade Agreement (NAFTA). As a consequence of globalization, international competition has increased daily, and the Mexican Film Industry (MFI) has been in need of constant innovation, obliging it to modify and to adapt its structures, as well as optimize the relationship among members of the productive chain.

Among these strategies are the agreements of cooperation, highlighting strategic alliances developed among producers, distributors, and exhibitors. The objective of the formation of alliances is increasingly more innovative in order to satisfy consumer demands in terms of variety and quality, and to achieve product positioning through participation in festivals and the obtaining awards, seeking to achieve sustained growth in the MFI.

Collaboration agreements can be gained for large as well as for Small and Medium Enterprises (SEM); these agreements can arise in any sector and with foreign competitors. The objectives are diverse and extensive and include some or all of the members of the productive chain, favoring the competitive position of the sector-in-question.

The history of the Mexican cinema has been classified in two great periods: first, the preindustrial stage that embraced the years 1897 to 1937; this is divided into its silent phase and the “talkies” phase.

The silent phase was characterized by the production of documentaries and by the predominance of the plot film (fiction); the “talkies” phase was devoted to experimentation, the conquest of markets, and the leap to the second stage (De la Vega, 1991).

Later, the Mexican film industry experienced what has been denominated its “Golden Age”, this reflected in the greater number of productions, some very popular. This era relied on certain features of success, such as the following: themes of films developed in a stable rural environment and one without hardships; urban scenarios framed to a greater degree in romanticism than in realism; great performances by the films’ personages; the structure of the cinematographic films; the ingenuity of the producers and the vision of the directors; the price of the ticket to see the film was accessible for all types of public; the support on the part of the state with favorable measures for financing, production, and distribution, and the relationship of cooperation and mutual support established with the U.S. during World War II (García Riera, 1986; Reyes, 2007).

After this era, the Mexican cinematographic industry began to undergo a drop in the number of productions due to certain factors as follows: the entry of 8-mm and 16-mm film technology; the installation of television in home, and union problems, among others. After this Mexican film era, highs and lows have been observed with respect to the number of films produced (García Riera, 1986; 1998).

In the decade of the nineties, Mexican films started to witness a transition due to the international opening afforded by Mexico toward an international film industry.

The Mexican film industry has had to face acceptance of and adaptation to their international opening, and has sought the formation of alliances with distributors and exhibitors, and the creation of new organisms favoring this industry, among other actions (Matute, 2002).

There have been various factors that have contributed to the current situation in the Mexican film industry, some of which have benefited it and others, contrariwise, have harmed it.

The latter caused private enterprises to be those that most resented the effects of the agreement. Ninety percent of producers in active service were unable to recover their investments due to, above all, to the distributors and exhibitors, of strong transnational presence, who garnered the greater part of the box-office income, giving rise to investors increasingly drawing away from film and with the sole, constant production from enterprises with capital within reach of the telecommunication oligopolies (Apanco, 2007; Ugalde, 2012).

Methodology of the investigation

The problem to investigate

Therefore, the present investigation deals with the need to introduce the MFI, on having to identify novel ways to compete, granting greater added value, at a lower cost and in the least time possible, bringing about the need to reform and reinforce its strategies. Also noteworthy is the importance of the MFI for the economic and social activity of Mexico, in addition to emphasizing how this industry, as others, is one that requires being subjected to analysis and study from the theoretical bases of administrative science.

Concretely, we arrive at the point at which the problem of investigation approaches the negative effect that occurred in the competitive advantage of the MFI, on opening the borders and not possessing the capacity to face the big transnational enterprises, thus establishing, in this manner, the question-to-investigate:

Is the formation of cooperation agreements of MFI producers with other members of the productive chain related with the competitive advantage of this industry?

Hypothesis

The formation of cooperation agreements of MFI producers with the members of the productive chain is positively correlated with the competitive advantage of this industry.

The competitive advantage is conferred when the MFI possesses some differential characteristics, whether in productions, production processes, novel marketing focuses of Mexican films, and innovations with regard to its competitors that derive from a good image as well as from an additional benefit of the productions (Porter, 2001).

Cooperation agreements are formed among members of the MFI productive chain to share resources, capacities, or activities with the purpose of mutual learning and improvement of its competitive position. The following are considered:

- Coproduction of Mexican cinema
- Agreements with different distribution channels of Mexican films and the alliances attained by Mexican productions
- Alliances with exhibitor enterprises in Mexico of Mexican productions

Type and design of the investigation

This investigation is quantitative, direct, and documental, and correlational in reach (Rojas, 2002; Torres Solís, 1999).

Study universe and sample size

On being a quantitative investigation, measurement is obtained, on the one hand, by means of the compiling of information that the industry possesses and, on the other hand, with the method known as survey and interview, directed toward the executives and/or employees of the enterprises making up the MFI. With the complied information, descriptive statistics was utilized for estimating certain economic indicators that are affected by this industry.

Different MFI information sources were consulted to obtain the subjects. First, databases on the MFI were consulted in different organisms, such as FIDECINE (Fund for Investment and Stimuli for Cinema), FOPROCINE (Fund for Quality Cinematographic Production), IMCINE (Mexican Institute of Cinematography), CANACINE (National Chamber of the Film Industry), CONACULTA (National Board for Culture and The Arts), INEGI (National Institute of Statistics and Geography), ACNielsen, and the Bank of Mexico. IMCINE directories were obtained that listed cinematographic institutions and organizations, which include the following: producer enterprises; distributors and exhibitors of cinematographic services; cinematographic education centers; film festivals in Mexico, and filmmaking commissions and support offices for audiovisual production in Mexico.

From the latter, 341 enterprises, organisms, festivals, schools, etc., were obtained that were related, in one way or another, with the MFI.

The second step was to select those that were associated with the cinematographic production of Mexican films, taking into account that there are production enterprises that, to obtain financing or subsidies, with one production company per film; therefore, only the matrix of the productions was selected, with a remaining objective study population of 105.

With this information and given the natural limitations, a sample was obtained of 36 participants, with the objective of generating a tendency in the diagnosis on the state of Mexican cinematic production in terms of its participation in the market, its capacity to face international competition, and its cooperation agreements for achieving a competitive advantage.

Measurement instrument

The instrument employed for requesting information was a structured questionnaire in which the surveyees responded to the questions formulated without the intervention of the surveyor, except in some cases in which some interviews were conducted to clarify a response and/or to elaborate on the information.

The dimensions utilized for formulating the measurement questionnaire have been tested in studies applied to different industries and/or sectors. For the questionnaire's elaboration, various sources were consulted, such as the questionnaire of the survey on competitiveness of the Complejo Tecnológico Industrial of Málaga and other sources, such as Thorogood Publishing, Ltd., Arthur Andersen, Panayides Photis, among others.

In addition, Dr. Fernando Casani Fernández de Navarrete of the Universidad Autónoma de Madrid and Dr. Esteban García-Canal of the Universidad de Oviedo were contacted directly (these academicians have a great number of publications and studies to their credit in different journals on cooperation agreements, competitive strategies, and strategic alliances); they kindly sent us the contributions and questionnaires that they have employed in their investigations.

The questionnaires were adapted to the conditions that prevail in the Mexican film industry and to the objectives of the present study. The questionnaire obtained, in order to be reliable, was validated, by consultants, academicians, and by individuals working within the MFI at executive levels.

Theoretical framework

The theoretical framework approaches the antecedents of the theories of the strategy and competitive advantage with the objective of identifying the reasons for the formation of cooperation agreements and the advantages that this strategy type offers for competing at present, considering the environment in which it is undertaken.

The Resource-Based Theory (RBT) is analyzed, in that it explains the functioning of foreign companies that, due to their structure, determine the rules of the competitive game and consequently, the film producing enterprises in Mexico; in addition, thanks to their possessing certain resources and unique capacities, they can form cooperation agreements with foreign enterprises and achieve positioning themselves competitively in the international market.

Resource-based Theory

MFI production enterprises possess a series of unique resources and capacities, in which a subset of these allows them to achieve a competitive advantage, and another subset of these leads to superior performance in the long term. The advantage can be sustained for long time periods as long as the company can protect itself against imitation of resources, transferences, or substitutions (Penrose, 1959).

The study of Mahoney and Pandian (1992) presents the RBT from three different perspectives as follows:

First, it incorporates current strategic concepts. The strategic posture has been viewed as a continuous search for profits (Bowman, 1974), defined as a yield of resources above their opportunity costs, as defined by Tollison (1982).

Second, the RBT also fit into the current of the organizational economy. RBT, as understood by Aharoni and Sticht (1990), Dosi et al. (1990), and Prahalad and Hamel (1990), concentrated on two key factors of an enterprise's behavioral success that in particular achieves certain specific advantages, with a portfolio of routines and differential competencies coherent with the skills and the unique property of know-how (Mahoney & Pandian, 1992: 365).

Third, RBT is complementary to the industrial organization, as established by Caves (1982) and Porter (1980-81). The competitive advantage is a function of the analysis of an industry, organizational government, and the effects of the enterprise (in the form of advantages in resources and strategies).

Competitive Advantage

As described by Porter (2001), the competitive advantage derives fundamentally from the value that a sector is capable of creating for its consumers, which exceeds the cost of creating it. Porter (2005) distinguishes two types of competitive advantage: leadership in costs and differentiation, and all of the activities of the value chain contribute to increasing the value for the purchaser. These links can lead to the competitive advantage in two ways: optimization and/or coordination. An enterprise should optimize the links that reflect its strategy for achieving the competitive advantage.

Sustainability of the competitive advantage depends on three conditions: interior-order advantages, such as workforce costs or cheap raw materials, which are relatively easy to imitate; superior-order advantages, which are more durable, such as process technology, product differentiation, brand recognition, and relations with protected clients due to high costs, and of the activity required to create and sustain the competitive advantage, which comprises challenges and which often can be profoundly unpleasant. The latter basically derives from improvement, from innovation, and from change; embracing the entire system of values, it is sustained with incessant improvement and requires implementing strategies of international focus (Porter, 1990).

Cooperation Agreements

The enterprise participates in a series of activities or functions that may or may not be technologically related: the purchase of goods; transforming these goods into semi-finished products; designing products and conducting investigation on product innovation; the search for financing; granting credit to buyers; seeking suppliers and new markets, etc. (Mariti and Smiley, 1983).

In order to implement these activities, the enterprise has, at least, three alternatives: organize it internally; make individual market transaction resources, and/or develop a cooperation agreement with one or more enterprises, which is a form of intermediate organization that can generate economies of scale.

In the entrepreneurial ambit, cooperation has become a new form of competing in the market, a means of reaching and maintaining a competitive advantage (Casani, 1996).

Cooperation agreements affect the organization and modify the competitive structures, configuring new markets. This gives rise to the need to define the manner in which these agreements affect the alliance and the cooperation strategies at the general competitive level, thus how they exert an influence on the system's efficiency based on the free market. These cooperative events are currently modifying the traditional concept of the competitive market; therefore, the alliances, rather than suppressing, transform the rivalry or the manner of competing, creating a new scenario that can be more virulent or more rigid than the former one.

With respect to the definition comprising the concept of cooperation and that is utilized in the present investigation, the definition provided by authors Mariti and Smiley (1983) is underscored; they conceive of the cooperation agreement between enterprises as a clear and explicit covenant, arranged over the long term between two or more organization. For these authors, the agreement should be crystal-clear, although not necessarily in writing; it can be verbal, but there should be a clear will to comply with the agreement.

The cooperation agreement must be adhered to a priori, with a long-term relationship, not only simply involving sporadic actions because, in this case, it would be about some timely cooperation, and not an agreement (Sanfiel, 2004).

On embarking upon cooperation agreements, the following factors will be considered: the size of the members of the strategic alliances, and the degree of rigidity or flexibility of the strategies. At present, the great industries have developed their growth through rigid strategies, fusions, and/or participation with other enterprises, which implies strong investments and monetary layouts, as in the case of the Hollywood film industry. The MFI is made up of SEM that, on opening this sector at the international level, found themselves in need of developing certain strategies, such as the agreements that they enter into with other organizations, in that the more an enterprise becomes more specialized in the activities that they have mastery over and that are advantageous for it, the greater positive results they will have with regard to their competitive advantage as a sector.

As Casani establishes (1993), the field that can take on cooperation as any form of immediate organization between the market and the hierarchy must be very wide-ranging. Therefore, these are studied with an eye to the following distinct perspectives: the objectives that they pursue; the legal form that they adopt based on strategic action; field of activity; size of the enterprise; and operative classifications.

According to the objectives of this investigation, two types of agreements are relevant: the strategic action, and the size of the enterprise:

Regarding strategic action (Table 1), many authors establish distinct cooperation-agreement modalities based on the distinct activities that configure the enterprise's value chain (Mariti and Smiley, 1983; Porter and Fuller, 1988; Chesnais, 1988).

Modality	Activities of the Value Chain
Financial cooperation	The need for financial resources and the difficulty in finding financing
Technological cooperation	The rapidity in the development of the technology and its complexity
Cooperation in production	The fundamental search for acquiring scale and within-reach economies that permit the reduction of production-associated costs and risks
Commercial cooperation	Seek the following objectives: reduce costs and risks in the commercialization process, penetrate new markets, complete the gamma of products offered, procure access to distribution channels, etc.

Table 1 Cooperation Agreements regarding Strategic Action

Within commercial cooperation is found piggy-back cooperation, which consists of a distribution or commercialization agreement under which a company lends another company its international distribution network for the commercialization of its products in foreign countries under determined conditions. This modality tends to be utilized by SEM, as in the case of the MFI.

In terms of the size of the enterprise, this tends to vary based on the activity sector or the geographic ambit in which this acts. However, there are diverse criteria, generally accepted, for classifying enterprises by their size. The most customary of these comprise the number of employees, the sales volume, the capital, the added value, etc.

Cooperation for MFI production enterprises appears as an intermediate route that allows reaching competitive size in the activities of the value chain. Where these were lacking, they maintain judicial and patrimonial independence, thus preserving the qualities associated with the small enterprise, in reference to flexibility and innovative capacity (Casani, 1995).

The model developed by Gómez et al. (2000) presents the advantages of cooperation agreements for SEM as in the case of MFI production enterprises seeking internationalization and that do not possess the experience and/or sufficient resources for maintaining a competitive advantage. The model leads to inter-entrepreneurial cooperation as the strategic alternative, rather than to the option of confrontation in isolated fashion.

The cinematographic industry in Mexico has been following a focus strategy, which implies differentiation and/or a cost advantage with respect to the segment selected. It also follows a product adaptation developed for the needs of the consumer, learning from the experience of the leader.

The cinematographic industry at the worldwide level presents high fixed costs in the production of the first copy; later, the marginal costs of reproduction and distribution tend to be very low or null. This type of industry presents economies of scale, favoring large-scale production and the formation of oligopolies (Muñoz Larroa, 2009).

Film production costs are substantial and the same occurs with marketing costs.

Additionally, the investment recovery period tends to be long and there is a negative phase gap between the purchase of goods and income derived from commercialization, these with repercussions on financing and in general, on sector-expansion opportunities. Having to depend on external financing resources and on the confidence of these to support production varies from company to company, from film industry to film industry, and from country to country (Muñoz Larroa, 2009).

This type of industry is required to deal with the uncertainty that the market presents in terms of demand, investment, production, transactions, and the game plan of their competitors. Enterprises acquire an important role, generating strategies and developing certain operative strategies, the objective being the creation of a stable relationship with the public, strategies such as planning opening dates, the repertory or catalog as a marketing strategy on offering a great variety of films, and successful projects that compensate for losses. However, at present, the big film studios have decided to reduce the amount of films per year and to make budget superproductions (Muñoz Larroa, 2009).

Other strategies developed with regard to marketing and publicity include the fact that now the great publicity campaigns are linked with horizontal integration, that is, the acquisition of other cultural industries, of electronics, or informatics, and/or of telecommunications. The situation has increased with entrepreneurial fusions and technological convergence. Being the owners of various means of communication (magazines, television channels and radio stations, Internet portals, discographic labels, etc.), allows enterprises to reduce their work plant, launch cross-publicity campaigns to promote a film, and are the same time to generate economies derived from other industries (Muñoz Larroa, 2009).

Cooperation can facilitate access to new market opportunities through marketing agreements, which permit the enterprise to utilize distribution networks that are already installed. This pathway is very important for the possibilities of international expansion for MFI enterprises, in view of their limited resources and their normally lacking competitive international experience. These enterprises can see their possibilities of success increased if they attempt to open to new markets hand in hand with an established partner (Casani, 1993).

Cruz (1999) cites that cooperation as the main tool for stimulating the motivation of members of the channel and it acts by means of a process by which a member of the channel seeks the support of another, fulfilling its commercial objectives. However, putting cooperative performance into action is not free of difficulties, because there are numerous barriers that limit or impede channel members from wagering on this relational model. Concretely, highlights include the desire to maintain autonomy, lack of confidence, self-interest, and a deficient cost-benefit relation.

Results

The development and presentation of the results is performed under two headings. First, a descriptive analysis and the frequencies found are presented. The second heading depicts the correlations found among the variables.

Presentation of the results

The surveys were performed in enterprises pertaining to different activities of this industry, which range from producers, distributors, and exhibitors, up to the government. Those surveyed are, in the majority, dedicated to the production of films, and 89.5% of the enterprises are PEM.

The effects on the MFI with NAFTA's taking effect have been low participation of Mexican productions in the last 6 years: between one and 10 productions and once a year. Of these productions, 26.1% are 100% Mexican productions and few productions participate in the private sector or in that of the government, while 47.8% participate in both types of production: domestic and foreign.

With regard to the source of income, it is observed that 56.5% originate from other activities subsequent to commercialization. And with respect to subcontracting, we note that there is tendency toward this activity: more exhibitors are subcontracted to achieve commercialization of the films, because this type of relationship tends, to a greater extent, through cooperation agreements, and in that 57% are national companies. In addition, the enterprises studied report being subcontracted in 53% of cases and mainly through strategic alliances pertaining to the MFI and from a national source.

Commercialization of Mexican film productions shows us the final portion of the productive chain. In this part, 30.4% of those surveyed consider that a new geographical segment is being attacked since 6 years ago, this after NAFTA taking effect. Concerning the manner of distribution, after the opening, 39.1% establish that this has been carried out directly and with intermediaries, and that this is of benefit to the industry (39.1%) or that has not harmed it (43.5%). On the part on the entry of international exhibitors into the MFI, the surveyees consider that the industry has not been benefited, not has it been harmed (34.8%). Last, with respect to commercialization, 60.9% consider it convenient for alliances to be formed with various organisms, enterprises, and institutions.

Test of the hypothesis and discussion of the results

In general, it was established that the formation of cooperation agreements within the MFI improves the competitive advantage in this industry in terms of its confirming that competitiveness correlates positively with the amount of cooperation agreements formed with MFI members, all of this with the aim of improving the sector's competitive advantage.

To arrive at acceptance of the hypothesis, analysis was performed with nominal or ordinal and categorical data. In the initial phase, it was observed that whether the sample utilized was or was not reliable was effected through a confidence analysis. The variables selected were those in reference to the different areas analyzed and according to the theoretical framework. On applying the alpha model, certain cases were eliminated to achieve a significant Cronbach alpha.

Afterward, a factorial analysis was carried out for data reduction and to find homogeneous groups of variables. In the following phase, tests such as the non-parametric, the coefficient of unilateral and bilateral correlations, and the Spearman rho were employed (Hernández Sampieri, 2010).

In the case of the Bartlett test, the analysis was divided according to the indicators that made up each scale to obtain factor acceptance or rejection. In addition, self-values were obtained, beginning with the highest and considering those of >1 (total explained variance).

The following point for consideration was the matrix of the components, where we can observe the burdens of each of the indicators of >0.5 for an exploratory factorial analysis.

Following this is the rotation matrix, which must be considered because it permits a sole variable to indicate a sole component.

Next, the results are presented in three sections:

Productions, subcontracted services, and main income source

The results show that the factors with greatest representativity are the following: participation in Mexican productions from NAFTA's taking effect (0.780); the income source (0.656); participation in productions with alliances (0.634), and the frequency with which these productions are supported (0.631).

The first two components explain 60.626% of the variance, these being the most representative. The first component, "time and form of participation in productions", explains 32.05% of the variance, and the second, "productions with alliances", 28.57%.

Next involved arriving at the following indicators-for-use, given the level of significance that they exhibited, as follows: participation in Mexican productions since NAFTA taking effect; production with national and international presence; participation in productions with alliances; subcontracted services, and income source.

Linkage with other enterprises and production innovations in Mexican cinema

The results demonstrated that these are well-represented factors, such as in the case of the following: whether the enterprise is subcontracted (0.803); type of relation to the subcontractor (0.704); integration with other enterprises (0.743); linkage with organisms (0.792); changes benefiting the MFI (0.550); new production processes (0.790), and Mexican films in a new geographic market (0.619) and segment (0.588).

The first three components explain 66.35% of the variant, these being the most representative. The first component, “linkage with other enterprises”, explains 25.96% of the variance, the second, “type of integration”, 21.43%, and the third, “innovations in Mexican cinema production”, explains 18.96%.

Thus, we obtained the following indicators-for-use, given the significance level that they exhibited in terms of the enterprise subcontracted: type of relationship; linkage of the enterprise with others; type of integration; form of production in 10 years; changes to the benefit of Mexican productions, and Mexican films in a new segment and geographic market.

Strategies followed by the industry and new forms of distribution and exhibition of Mexican cinema

The results are satisfactory and show that there are well-represented factors, as in the case of the following: strategy followed from entry into NAFTA (0.903); support on the part of the executives (0.799); benefits in new forms of distribution (0.753) and exhibition (0.793), and the formation of alliances to be more competitive (0.786).

We continue here with the total analysis of variance explaining the first three components, with an explanation of 70.86% of the variance, these being the most representative. The first component, “benefits of the distribution strategies”, explains 33.23% of the variant, while the second component, “strategy and exhibition”, explains 21.26%, and the third, “organizational strategy, alliances, and distributions systems”, 16.36%.

The following indicators-to-use were obtained due to their significance level, which exhibited the following: executives favor the Mexican cinema; the benefits of the forms of distribution and exhibition; distribution systems in 10 years; company strategies since NAFTA, organizational strategy since NAFTA; forms of organizational strategy, and the formation of alliances for competitiveness.

Existing correlations: MCI cooperation agreements and the competitive advantage

With the factorial analysis, we obtained the most relevant variables, these were confronted, and in this manner, concluded with regard to the hypothesis posed. The most representative variables were grouped in six components that define the MFI competitive advantage (Figure 1). The Spearman rho test was applied for variables relative to measurement of the results. Analyses relative to the statistical tests cited resulted in interesting relationships that demonstrated the advantage of forming cooperation agreements to improve the competitive advantage of this industry since the signing of NAFTA.

According to the results obtained, we can visualize, in Figure 1, the following correlations among the variables:

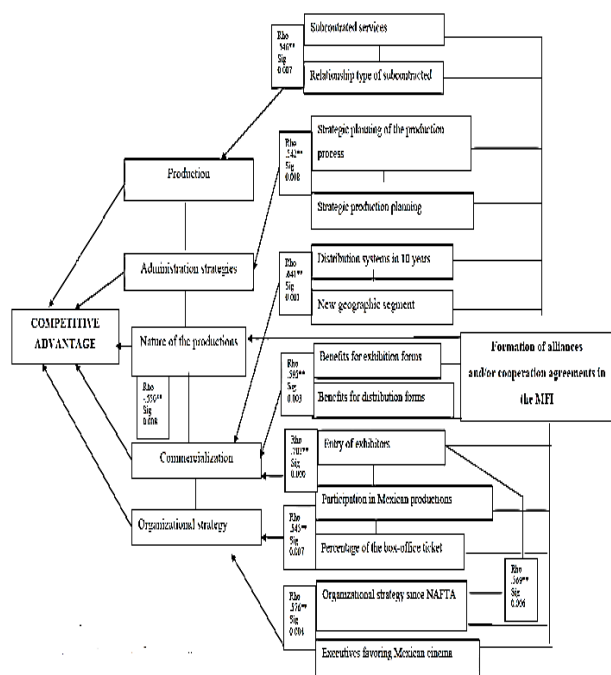


Figure 1 Diagram of significant results

As can be observed on carrying out the Spearman test, the following relevant results were found. On the one hand, a relation was found of 54% between the strategic planning of the production and of the production process, noting that this is very closely related with what is to be produced and how it will be produced, in order to improve the competitiveness of Mexican productions. In addition, the results demonstrated that the participation of Mexican productions since NAFTA has been characterized by the formation of cooperation agreements among members of the MFI productive chain (55%).

In relation to the existence between the form of distribution of the last 10 years and the Mexican cinema in other geographic segments, we observed that during the last 10 years, distribution systems have been increasingly utilized through intermediaries, in the form of cooperation agreements, giving rise to Mexican cinema achieving inroads into new geographic segments, favoring its competitive positioning, by 64%.

Also, distribution through intermediaries and the formation of cooperation agreements with new exhibitors has benefited the production of Mexican cinema, at a relation of 60%.

A relation of 55% that was found shows that the formation of cooperation agreements among MFI members favors the competitiveness of this industry. Additionally, the correlations found demonstrate that 55% noted that greater participation in Mexican productions in the market has achieved increasing the percentage of the ticket at the box office allotted to these, and also due to the entry of the exhibitors, with a relation of 70%.

Finally, the relation was found of 58% between the benefits of the entry of new exhibitors and the strategies employed by Mexican cinema producers. The tendency has arisen that follows the market leaders, but with their differentiation, in order to improve their competitiveness in the industry, in addition to that executives tend to favor the marketing of already proven productions from the time of the initiation of NAFTA, with a relation of 58%.

Thus, on arriving at the conclusion that, and according to the hypothesis proposed affirming that the formation of cooperation agreements of MCI producers with the members of the productive chain correlates positively with this industry's competitive advantage, this is approved, in that it confirms that the competitive advantage correlated with the production, the administrative strategies, the nature of the productions, the commercialization, and the organizational strategy of the MFI. The latter was achieved through the formation of cooperation agreements among members of the MFI productive chain to the benefit of this industry, as shown by the previously presented results.

Conclusions

The theme of strategic alliances for acquiring and/or maintaining the competitive advantage in an industry has taken on great importance; thus, a study was conducted of how this type of strategy as utilized by the MFI has impacted its competitive improvement.

The investigation has allowed demonstrating that cooperation agreements improve the competitive advantage of this industry, but it is important to consider all of the members of the productive chain in order to avoid the strongest from being the only ones benefited. On analyzing the changes in Mexican productions from the time of NAFTA taking effect, we observe that the benefits received have been greater thanks to the formation of cooperation agreements among members of the productive chain, these having achieved Mexican productions being more innovative and also achieving their positioning in the market, employing foreign technology and the specific industry machinery.

The production enterprises of the Mexican cinema industry require the subcontracting of services such as technicians, distribution, commercialization, cinematographic studios, equipment rental, exhibition, and sound studios, among others. The options that these enterprises have for obtaining these services comprises subcontracting, but this option presents greater costs, no risk-sharing, and no maintenance of the relationship at the long term. Another option, which already exists and which tends to be utilized more and more, is the strategy of cooperation agreements, in which costs may be lowered, in which the members of an agreement share risks and maintain a long-term relationship.

In view of the latter, we can conclude that in effect, we have had, in the last 6 years, a greater number of cooperation agreements, but these continue to be insufficient, and there has been an increase in the number of Mexican productions with a national and international presence. Enterprises belonging to the MFI tend to subcontract increasingly and, in the majority of cases, this has been effected to be able to compete at the international level. Additionally, more cooperation agreements have been formed with exhibitors and distributors, with the objective of achieving commercialization of its films and, in this manner, delivering the product to the final consumer.

The Mexican cinema industry can compete with that of Hollywood, but does not achieve this due to the exhibition problem: there are few spaces for exhibition in comparison with the U.S., in addition to that films from Hollywood are shown first, last only a short time on the billboard, and are not debuted in all movies theaters and not during the best show times.

The advantage that we have in Mexico that is important to exploit is that there is a greater number of individuals here who pay out-of-pocket to see a Mexican film and they like them. The Mexican film industry already participates in various world festivals and obtains awards, although much is left to accomplish with regard to the production and distribution of Mexican films.

The MFI has problems; in addition, importance must not be subtracted from the fact that the cinema possess very close substitutes, such as open television, which presents the advantage that films have various repetitions through the year and that these are programmed at attractive viewing times.

Also presenting a challenge is the time that a film takes to proceed through the different distribution channels, which has been progressively shortened: the wait is increasingly less for a film to be launched for sale in its physical format from its first appearance on the billboard, causing the family, given the price and the expenditure for a family to go to the movies, to wait until the film is shown on open television or on some other physical format. In addition, it must be taken into consideration that films are distributed through the Internet, offering a greater variety of film titles and with the facility of viewing these at any time.

Taken together, it can be concluded that the formation of cooperation agreements positively impacts the MFI, whenever these agreements are to be benefit of the entire productive chain. The agreements must be formed among different enterprises, organisms, and institutions and they must benefit the producers as well as the distributors and exhibitors.

Mexican producers have had to sign agreements, preferring to do so, but this has been to maintain their participation in the market; it has not been to innovate and to invest in production processes and to lower the costs of production.

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