

Cybercrime as a Detrimental Act to African Cinema: A Case Study of Nollywood

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Abstract

Cybercrime is one of the ultimate challenges in most industries. The modern era has introduced internet connectivity as a technological advancement that can easily distribute, control and disseminate information throughout the universe, thus changing the traditional form of operating business. Most industries are now operating online to advertise or sell their products and services. The introduction of e-Commerce has been a great development in film industry as it opened new efficient distribution channels at a very low cost. However, this new development has largely contributed in exacerbating the practice of piracy as film consumers can now easily access films from different platforms, including illegal websites. This has resulted in a great loss of profits and negativity, not only in Nollywood but also in Hollywood, Bollywood and other film industries. Most of these film industries are now operating in a cyberspace where data can be easily intercepted and manipulated by perpetrators who pose as a trustworthy representative of a film company and make money from people at the expense of filmmakers. This paper sets out to investigate on the origins, forms and causes of cybercrime, and offer possible solutions to minimize cybercrime in order to maximize films' profits.

Key words

Cybercrime, Piracy, Nollywood, Cinema, Technology

1. Introduction

Ever since 1992 when the film *Living in Bondage* was released, the creative industry in Nigeria has been continuously flourishing. Today film industry is one of the fastest growing division in the economy of Nigeria and contributing to the formal employment of the Nigerian population. For sustainability and continuous growth of the industry, Nollywood needs new strategies to fully achieve its greatest capacity in the global market. There has been many barriers for Nollywood to reach its climax and these include lack of proper marketing skills, lack of formal distribution channels, and lack of innovative ideas or software to drive the industry to the higher level. During the past two decades since the existence, the film industry has been developing positively and it has been known as the largest film industry that produces a lot of films compared to Hollywood and Bollywood. But recently, due to the lack of innovative ideas to fight against cybercrime, its profits has been stagnant resulting to an insignificant productivity which has placed Nollywood much behind Hollywood.

When Nigeria started producing a lot of films in the 1990s, there were no proper distribution channels and till date this has greatly affected the film industry in Nigeria. The proliferation of this practice has been normalized to the extent that filmmakers benefit a little from their fame. Most people in Nigeria have a little understanding of the word

cybercrime and its forms in film, as a result they unknowingly practice and promote piracy. Nigerian artists have become victims of piracy whereby people have inherited the habit of exchanging or borrowing each other's films on DVDs or on any other media devices. This is a form of piracy that most people engage in without knowing that they are violating the copyrights which prohibits this kind of circulation (Dikito, 2016). As technology has increased between governments, corporate organizations and individuals involved in international and local businesses, criminals have realized that cyberspace is a cost-effective method to make money. This act has disrupted the monetization of film for filmmakers (Lobato, 2012), as most filmmakers struggle to break-even, even after producing many low budget films. According to the Nigerian Communications Commission (NCC), Nigeria stands in the third position after the United States and United Kingdom in the global cybercrime (Jannah, 2017). It is not easy for investors to support the film industry in Nigeria where profit margins are so low due to cybercrime.

1.1 Background to the Study

In the film industry, the word cybercrime is usually used interchangeably with piracy. In Nigeria, piracy started as early as in the 1990s after the boom of the film *Living in Bondage* (1992). The film marked the beginning of Nollywood as it was an experimental film, and since then the availability of excess cheap cameras, advanced technological equipment such as laptops has led people (mostly the unemployed) to engage themselves in film production process, especially the distribution. The inexpensive and user-friendly duplication of materials resulted in the growth of backyard studios and film media companies which distributed films within the country and across its borders (Lodderhose, 2014). This activity has been a major drawback as it has a negative effect on the revenue of films because most customers even till date prefer to buy pirated copies at a much cheaper price than the original product. The invention of Blue-Rays, DVDs has exacerbated the illegal sales of films on streets and shops than in legal retail outlets, as a result the film industry has been operating without proper organization on the distribution channels. More so, it is difficult to have actual records of films sold in Nigeria or globally as people unconsciously buy and rent from illegal shops in Nigeria. People lack education on forms of cybercrime, such as counterfeiting, which has also inhibited Nollywood from fully exploring itself as most filmmakers struggle to break even, even after producing many low budget films. The absence of proper film distribution channels have opened up avenues for pirates to capitalize on the gap and only flourish on internet. According to Dikito (2016), the continuous technological advancements of compressing films to smaller sizes on internet has made it easy for customers including pirates to download high quality movies on a high speed with the aid of technologies like BitTorrent. This has highly promoted cybercrime.

The word cybercrime describes criminal activities that materialize in the world of computer and internet. It is an illegal behavior directed by means of electronic operations that targets the security of computer systems and the data processed by them. This act can be traced back to Europe where films were originated. The continuous advancement in film technologies makes the production and distribution easier as it mostly can be contained in cyberspace. However, the increasing use of digital services by filmmakers and reliance of the public on online e-services has also opened up avenues for pirates to capitalize on loopholes to illegally access films and/or redistribute films without copyrights. The activity of cybercrime eliminates the traditional distribution channels as each person could easily reproduce film. Just like in any other developing state, Nigeria has a fast growing cybercrime because most unemployed people now own smart devices (e.g. smart phones) who spend most of their times experimenting effective techniques of extorting money in a more sophisticated manner without being traced, which poses a major threat in the future if counter-mechanisms are not devised now.

1.2 Statement of the Problem

During the first two decades of the establishment of Nollywood, Nigerian film industry has been one of the most lucrative sectors with highest paid jobs in the country. But currently it has been difficult for producers to breakeven after sales and this is largely attributed to cybercrime, a deterring factor for Nollywood to maximize its profits and experience a positive development. Based on the preliminary literature review on cybercrimes in Nigeria and piracy, it was discovered that there has been no invention or advancement of equipment or technology system that has been generated by Nollywood to encounter this act.

1.3 Objective of the Study

The main objective of this study is to find the probable measures to curb cybercrime and maximize profit from films. The paper will investigate the origins, forms and manifestation of cybercrimes in Nollywood. It will also look at the productivity of Nollywood and other film industries in the global market.

2. Literature Review

2.1 The Origins of Cybercrime in Films

Cybercrime in films is largely attributed to the evolution of media technology which aimed to improve the media equipment, storage devices so as to expand its coverage to its audience through inexpensive and faster medium (Dahlstrom et al., 2006). The first technology in film was analog which used physical or mechanical media, and were complex and costly enough to limit reproduction process to be done only by well-established companies. In 1920s, magnetic medium was introduced to the analog system which enabled its users to add effects, synchronize their movies with music and duplicate films easily. The introduction of home videocassettes recorders (VCR) in the 1970s enabled customers to record television programs, and this led to infringement of television copyrights. The European studios took the initiative to sue the manufacturer Sony for producing such an equipment that violated the studio and television rights. The transformation from analog to digital in the 1980s resulted in popularization of several representations like hard drive, digital video disc or digital versatile disc (DVD) for films and the compact disc (CD) which records audio. Unlike video cassettes, CDs and DVDs have a great capacity to store more movies. This development of storing devices and digital media files has unlocked new distribution channels for filmmakers, and for pirates as well. Scholars like Lodderhose (2014) and Longe (2004) view piracy as theft deliberately orchestrated by illegal industry bloggers to inhibit many films to be successful.

The invention of portable storage devices and media files, which can easily and swiftly transfer digital contents from unencrypted DVDS to hard drive and internet, has increased the practice of cybercrimes in film industry. The digitalization of film equipment and storage has improved quality and efficiency in filming and has made it accessible and affordable to all those involved in the value chain of film.

It becomes significantly important to find measures to encounter piracy so that no revenue will continue to be lost to pirates. Welter (2010) considers blockbuster such as Netflix as a way of decreasing cybercrime in films. He believed that piracy might be matter of convenience or a question of morals. Films should be readily available on all platforms to increase the number of sales. He noted that Netflix had over 27 million subscribers in 2010, accounting to 61% of the digital video market, which somehow limits a number of people on illegal film sites. Hollywood has adopted a culture of hybrid distribution. Films like Kung Fu Panda 2 was able to gross around \$163 million from US audiences only at the box office. This has been successful because Hollywood has developed a sequence of releasing films - first in theatres, then DvDs, online, and finally broadcasting through televisions.

Since it is a major obstacle to the development of the film industry, it is vital for consumers to understand piracy and its forms. Aghatise (2006) defined piracy as an illegal activity of duplicating of copies without the copyrights, for instance CDs/DVDs. Furthermore, reselling or distributing of such contents is also called piracy. A person who illegally duplicates CDs/DVDs, sells or upload on internet for profit or free is called a pirate.

2.2 The Nollywood industry

Nigeria has 6,841 registered Video Parlors and about 200,000 unofficial parlors. The estimated number of video sales/ rental shops in Nigeria is 500,000 with Lagos alone providing 100,000 such shops (Chowdhury et al., 2008). These video rental shops have been active in distributing films and are always easily accessible in Nigeria.

At present, Nollywood does not have official established links with many international distribution companies. Although copies of Nollywood films can be found in a few video retail outlets in some major cities in the US and Europe, those are often pirated copies. The producers of the film get little or no financial benefits from the revenues generated from selling these pirated copies (Lobato, 2012). Most of the export revenues generated come from other African countries rather than the US and Europe where the profit margins and royalty fees can be much larger. A

quality Nigerian movie sells on average 20,000-30,000 copies with blockbuster movies reaching up to half a million figure, whereas Nollywood pirates can produce over 500,000 video CDs and DVDs every day using over 25 illegal companies (Chowdhury et al., 2008). Cybercrime has been estimated to cost a sum of \$500 per year to the Nigerian filmmakers and the nation (Shiloh and Fassassi, 2016).

The origins of piracy can be attributed to technological advancement in media. The advanced technologies are actually meant to improve the quality, marketing and distribution of film products that has allowed tremendous strides in the filmmaking processes, but it has also proliferated piracy because duplicating has become easier and everyone is now able to do it. The abuse of technology has had adverse effects on the local film industry. Piracy can sometime acts towards the advantage of filmmakers because it exposes them to markets. In a way, pirates are actually advertising the filmmakers and their films to potential markets. The internet has also become an easy source to access pirated films at very cheap costs or even for free, as a result many people do not purchase films anymore. The unemployment of the majority of Nigerians have a negative effect on box office as most cannot afford to purchase movie tickets, which also contributes towards piracy.

3. Methodology

This study is based on the analysis of findings from secondary sources. Secondary data were collected using various research papers, journal articles, books, and dissertations on piracy in Nigeria, as well as other online materials available on the topic. The information collected were used to understand the background and detect patterns of the Nigerian film industry, and origins, forms and causes of cybercrime. The probable measures to curb cybercrime were investigated and recommendations were made.

4. Findings and Discussion

Pirates use different techniques to copy, share and distribute films. Table 1 presents different forms of piracy and cybercrime.

Table 1. Forms of cybercrime (Aghatise, 2006; Dikito, 2016)

Forms of Piracy	Discussion
Computer and Media devices	This usually involves peer-to-peer network through computers or media storage (e.g. DVDs, memory sticks, etc.). This form of piracy is an illegal file sharing practice of films, software or any other material from one computer to another. The technological advancement (e.g. smart phones, laptops with Bluetooth, Share it apps) have disrupted the traditional distribution channels by offering an alternative cheaper way of accessing films.
International piracy	It is the circulation of illegal information on internet. This form of cybercrime involves the encroachment of uploading or downloading content on internet without copyrights. The practice has been in existence in the early 1990s, and Europe passed the Digital Millennium Copyright Act in 1996 to protect intellectual property. The act criminalizes acts of unauthorized digital access to or distribution of copyrighted materials such as movie of its cooperating countries. However, Nigeria is not part of the protected members and more vulnerable to this form as pirates can distribute or upload on internet from any part of the world.
Counterfeiting	This is the most popular and serious form of piracy in Nigeria. Many film distributors in Nigeria are unauthorized, yet they duplicate DVDs and operate as distribution companies of Nigerian films. They even write - all rights reserved – on their duplicate discs.

Localised/ End-user	The purchasing or borrowing of DVDs/CDs from unlicensed shops or street vendors is a practice of promoting cybercrime. The customer will be committing an offense by promoting illegal activities. This can also be practiced online whereby one can buy a pirated material.
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The advancement in film technology has paved a way to a greater disruption of film distribution in Nollywood. The computer itself has been actively acting as a distributing medium, both legally and illegally. The computer has been used in different ways to distribute films or access films. Figure 1 shows a flowchart of how cybercrime is manifested through the use of a desktop computer or a laptop.

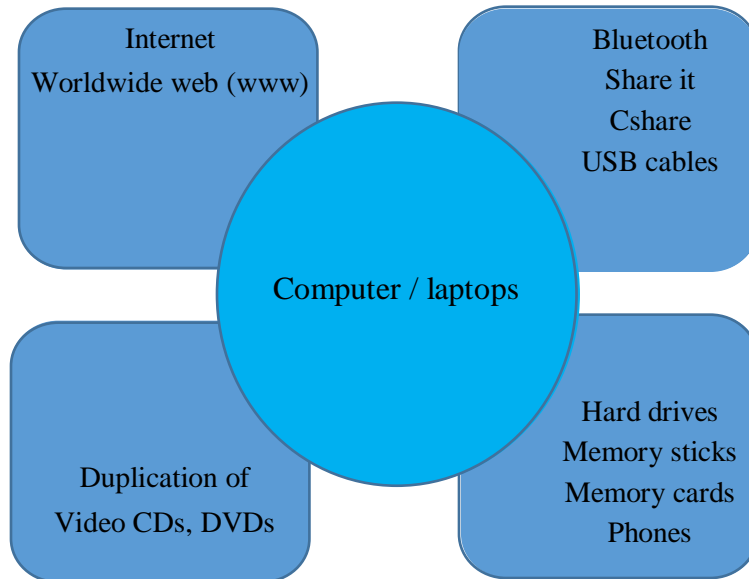


Figure 1. Cybercrime using a desktop computer or a laptop.

Although these technological media devices have paved a way to the growth of number of productions in Nigeria and its popularity, the film industry revenue is not contributing much towards the economy of the country because these technologies are mostly being enjoyed by pirates who are involved in the illegal production and duplication of films. The industry has been ignorant to this form of cybercrime as it has created employment and had little effect on filmmakers, but lately witnessing of some productions released on internet even before they are premiered has brought the greatest challenge. It should be noted that these forms of piracy do not only affect the filmmakers but Nigeria as a whole because the government loses a lot of revenue through tax not being paid by these informal distribution companies who are operating illegally and benefitting from filming for themselves.

Piracy and cybercrime has become so ordinary that people ignore the legal implications even after knowing how illegal pirating is (Ajaga and Olugboji, 2014). Figure 2 presents the perception of respondents on the piracy. It is obvious from the figure that the majority of the viewers (about 68%) are aware that piracy is illegal. However, more than half of the viewers (53%) are ignorant about the legal implications and eventually purchase pirated films (figure 3).

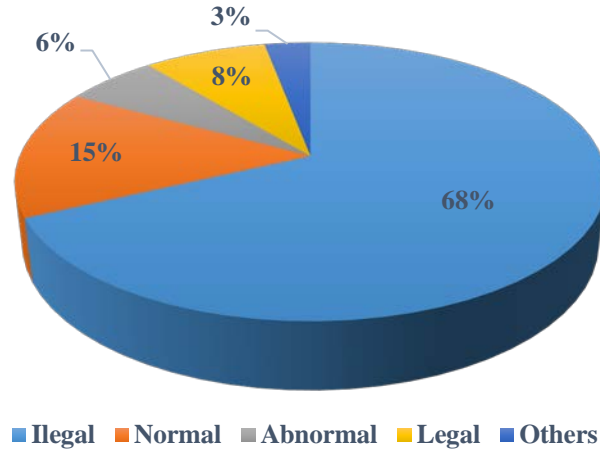


Figure 2. Perception of viewers about piracy (Ajaga and Olugboji, 2014)

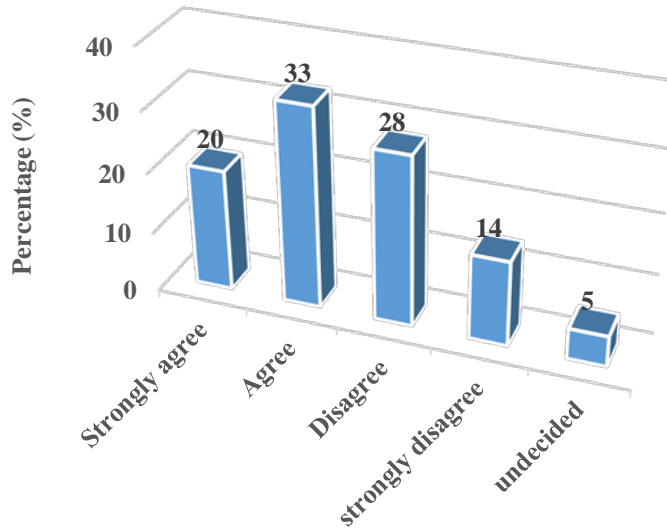


Figure 3. Viewers that purchase pirated films ignoring legal consequences (Ajaga and Olugboji, 2014)

The majority of the respondents agreed that people continue to practice piracy as they are not afraid of the legal implications. It has become difficult for artist to benefit and make profits from their own intellectual property as their films can be stolen and released online before they are even officially premiered. This has resulted in the loss of profits for the industry. Only those who were involved in filming in the 1990s enjoyed their royalties when duplicating technologies were not that rampant yet. Figure 4 shows that Nollywood has been leading in producing more films. The figure shows an estimated number of films produced and may not represent the actual statistics as some films are released to public without following formal procedures. However, Nollywood generated an average of \$600 million per annual compared to Bollywood’s \$1.6 billion and Hollywood’s \$9.8 billion in 2012 (Oh, 2014). A Hollywood production house produced a Nigerian film using major Nigerian actors at a cost of \$300,000 (Mackay, 2009), which is 10 times higher than an average budget for Nollywood films which ranges from \$25,000 to \$70,000 (Moudio, 2013), and yet the Nigerian film industry is failing to make sustainable profits. This has resulted in investors deterring from Nollywood, as a result, most of the distribution structures are still informal till date.

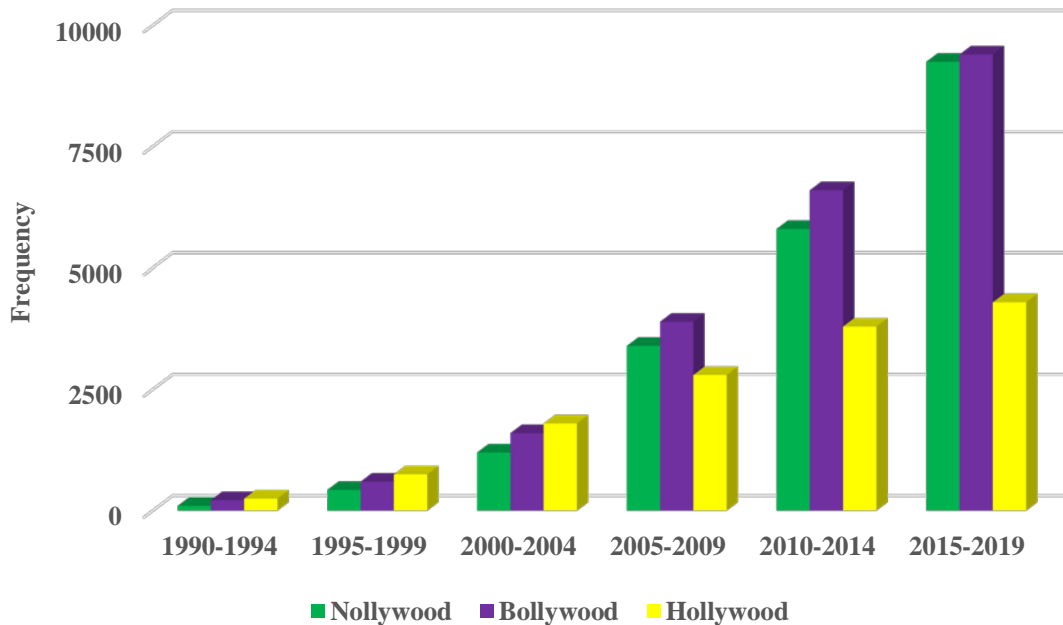


Figure 4. Comparison of Nollywood with Bollywood and Hollywood (Künzler, 2006; UNESCO, 2009 and 2018)

This indicates that there is an urgent need for effective measures against piracy. There is a need to strengthen the legal laws pertaining cybercrime in film industry because the law are not deterrent and have a lot of loopholes for pirates to escape. The policies are only practiced on paper and are not implemented to protect copyrights and restrict piracy.

Some of the negative effects of cybercrime on the development of Nigerian film industry are summarized in table 2 below.

Table 2. Effects of cybercrime on the development of Nollywood

Effects	Remarks
Financial loss	It deprives filmmakers their remuneration from their own intellectual property which is also their income and source of livelihood. As a result, artists get nothing in terms of economic sustenance but just fame for their efforts.
Reduced productivity	Due to lack of economic return, it demotivates filmmakers, especially producers to produce more films.
Stagnant industry	The industry are always constrained to small budget films, and will opt away from developing big budgets films that can be competitive to Hollywood and Bollywood counterparts.
Loss of reputation	Clients usually lose faith in companies which have been hacked, data altered or used to extort money from customers without providing a good service to them. This compromise customer relations management (CRM) as they do not feel safe to use the service or website anymore.
Loss of investors	Nigeria has been ranked the third corrupt country since 1999 and this usually puts off investors. Most Investors wants assurance that they will have returns.

5. Conclusion

The act of reproducing digital productions without authorization is commonly practiced in Nigeria, and the Nigerian film industry need to urgently deal with cybercrime before the matter gets out of hand. Currently, there are some online televisions sites like Iroko tv, but these are not as competitive as pirate websites. Cybercrime should be taken seriously and action must be taken against any infringement of copyrights. Though the law may not be a full-bullet-proof, the Nigerian film industry has to fight this piracy war with the use of advanced preventative measures. There is also a need for Nigerian policymakers to emulate applicable legislative policies from the first and second world countries and infuse them with their own innovative technical solutions. The viewers must also realise the importance of legal implications of cybercrime, and its financial implications on filmmakers and the nation.

6. Recommendations

There is a need to strengthen marketing strategies for an effective formal distribution of films in Nigeria and across its borders. Efforts should be made to ensure that the Nigerian films in other countries are being sold by legal retail shops so that it brings foreign currency that will benefit the film industry and also boost the economy of Nigeria. Lack of formal distributor of Nigerian film has resulted in many people purchasing pirated copies from 1990s, as these were the only copies readily available to them. The old methodology of mobile cinemas to rural areas and other remote communities needs to be intensified because this will help filmmakers to make profits by selling off their films without the involvement of many distributors in the chain. Reduction of film prices will assist many to opt away from pirated copies which are currently cheaper way to watch films.

Film Schools in Nigeria need to strengthen their academic curriculums to focus more on marketing strategies and distribution of films in Nigeria and abroad as a way to fight against piracy. More marketing research needs to be done on remote areas in the country and across the globe, where pirates hasn't exacerbate yet, to explore for potential markets for Nigerian films. Nigerian film schools can also learn and emulate models that can curb piracy from their competitors. Experts need do more research on cybercrimes to educate people on the subject and assist Nollywood to market their productions and strengthen distribution policies, especially on international level, in order to increase their market base on global scale. Technical innovations need to be introduced in all film schools, for instance a software can be created to detect illegal websites which are distributing films which will assist the owner to sue and encrypt all DVDs so that they cannot be reproduced.

The Nigerian government needs to ensure that all film schools have a research center that focuses on innovative technological film equipment, skills and software development to safeguard exploitation of Nigerian film productions. There is a need for a clear legislative law on cybercrime on media. Though the advancement of technology has made it difficult for lawmakers to enforce laws or measures, there is a great need to restrict illegal activities that promulgates cybercrime such as USB flash sticks, Bluetooth networks and other devices that they do not take into cognizance. The government needs to educate and raise awareness on the negativity of piracy and the consequences of piracy to the industry and those who violate the law. In most developed countries, majority of the filmmakers have learnt preventive measures against piracy and other similar drawbacks. There is a need for the policymakers to strengthen Nollywood's preventive measures on cybercrime that people will desist from the practice.

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