OPEN ACCESS

Bulletin of Humanities and Social Sciences

Abbreviated Key Title: Bull. Humanit. Soc. Sci. | ISSN XXXX-XXXX |
Greenfort International Publisher, Assam, India
Journal homepage: https://gipublisher.com/index.php/bhss

Review Article Volume-02, Issue-02; 2026 (Jul-Dec)

Economics of Audiovisual Production in a Glocalized Digital Media: Clues, Theories and Perspectives from Nollywood

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DOI: 10.62046/bhss.2026.v02i01.007 | **Received:** 02.11.2025 | **Revised:** 01.03.2026 | **Accepted:** 20.03.2026 | Published**:** 19.08.2026

Abstract: This paper examined economic trends of audiovisual production in the globalized digital media landscape with reference to the Nigerian film industry (Nollywood) as a paradigm of local creative economies in contact with global distribution. Anchored on the theoretical frameworks of Media Economics, the Long Tail Theory, and the Digital Generative Multimedia Tool Theory (DGMTT), the study adopted a critical approach in assessing the efficiency-sustainability gap, in which democratization of production tools has not yet ensured the financial stability of independent producers in emerging markets. The research employed a sequential explanatory mixed-methods methodology, combining primary quantitative survey data collection and statistical modeling performed by the authors with qualitative Key Informant Interviews (KII) conducted with 15 industry stakeholders, including grassroots independent producers, studio executives, and media economists. Inductive analysis of the qualitative data showed a decisive transition of the traditional models of the public good to the hybrid direct-pay systems (SVOD and AVOD) that are based on personalised consumption. While the primary quantitative stream established a statistically significant correlation between digital distribution platform adoption and gross revenue metrics, the subsequent qualitative stream directly elucidated these results by showing how structural barriers modify net profit margins. The study empirically justifies the DGMTT and proves that the combination of Artificial Intelligence and generative automation has a significant impact on marginal costs and production schedules, providing a verifiable route to economic sustainability. Nonetheless, local creators are confronted with a dilemma of platform imperialism as international streaming corporations offer exposure but enforce algorithmic logics which can marginalise the cultural differences of localities. It is concluded that the future of audiovisual production in Nollywood lies in a paradigm shift towards knowledge-heavy production and formalisation of industry structures in order to fill the gap between cultural reach and economic viability.

Keywords: Audiovisual Production, Media Economics, Glocalization, Digital Generative Multimedia Tool Theory (DGMTT), VoD Business model, Nollywood film, Digital Media.

Citation: Timothy Ekeledirichukwu ONYEJELEM *et al*. Economics of Audiovisual Production in a Glocalized Digital Media: Clues, Theories and Perspectives from Nollywood. Bull. Humanit. Soc. Sci, 2026 Jul-Dec 2(2): 47-59.

INTRODUCTION

The global media industry is going through a time of greater turmoil and possibility at levels never seen before. The shift toward a digital-first ecosystem by traditional broadcasting has radically transformed the production, distribution, and consumption process of audiovisual content. The main idea behind this change is the very notion of globalisation, defined here as the coexistence of universalising and particularising trends in the modern media market. In the case of the audiovisual industry, namely in such hubs as Nollywood, it implies that, although production tools and platforms have become globalised in their nature, the local relative significance and cultural identity of content can still determine its economic sustainability. This intersection requires scholars to examine how

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audiences receive and process localized themes within broader social structures.

Production of any audiovisual text is no longer just an activity of the artistic field; it is a complicated scientific, technological, and economic process. Communicating the science of audiovisual production in a difficult digital ecosystem requires an extensive knowledge of the technological infrastructures behind it. The financial interests are immense, since movies and digital content are viewed as critical engines of development. Nonetheless, such a possibility is usually hindered by the shadow of technology, a condition where digital innovation disrupts managerial, legal, and social systems if it is not appropriately utilised. For instance, the rapid expansion of digital media platforms frequently outpaces current regulatory frameworks.

Statement of the Problem

The spread of digital media platforms as well as the birth of globalisation have essentially threatened the conventional economic basis of audiovisual production. Although the digital era has made production means and distribution networks all over the world democratic, a paradox has emerged, namely the efficiency-sustainability gap. Although the concept of the Long Tail may be theoretically promising, with niche content becoming economically viable through global aggregation, localised and glocalised markets still seem to be full of local producers struggling with economic insolvency and invisibility. This paradox requires a holistic assessment of development communication in a globalised context to understand how local narratives navigate macro-economic currents. As independent creators attempt to stay solvent, they must balance global and local dynamics in film collaboration and production to avoid complete erasure by foreign capital

Furthermore, the operational and creative landscapes for vulnerable industry participants are shifting rapidly under digital pressures. Creators are forced to completely rethink the entrepreneurship strategies of child actors in Nollywood for national development in the era of cyber insecurity, requiring a proactive communication model approach to shield domestic talent from digital vulnerabilities. Navigating the convergence of film and multimedia studies for sustainable communication education in digital space has thus become a foundational requirement for industry practitioners, demanding that educational frameworks adapt rapidly to these industrial realities. This digital transformation extends directly into instructional formats, forcing institutions to focus on understanding the fundamentals of webcasting for journalism education in Nigeria through an artificial intelligence dimension.

Objectives of the Study

This study in general aims to explore the economic forces of audiovisual production as a phenomenon in the glocalised digital media landscape, with a focus on the collision of global distribution and local creative economy. In particular, the following objectives were to be met in the study:

- To explore the economic forces and issues impacting audiovisual production in the digital glocalized media environment.
- To determine how international digital distribution sites affect economic sustainability of local audiovisual content.
- To test the applicability of Digital Generative Multimedia Tools in improving efficiency and cost-effectiveness of production.
- To determine the association between technological progress and the social-economic worth of audiovisual goods.

LITERATURE REVIEW

Conceptual Discussion

The idea of audiovisual production at the modern age does not fit within the conventional scope of either a movie or a television screen. Rather, it lies in a technologically-mediated liquid space characterized by the dynamics of economic sustainability, cultural particularity, and innovations in the digital realm. This analysis will examine the main principles of media economics, glocalization and the generative digital ecosystem.

The Economic Potential of Audiovisual Production

The economic influence of the cinema and digital video is much more than the ticket sales. It includes employment of people, tourism, and foreign policy of soft power (Fiveable, 2024; Screen Yorkshire, n.d.). The film industry (Nollywood), in Nigeria, is no longer an object-oriented industry, but an artistic force with a huge economic potential (Kalu, 2017). Otuonye (2023) notes that Nollywood contributes to the creation of jobs significantly, and Onyejelem *et al*. (2015) claim that social media possesses economic potentials that would play a crucial role in the creation of societies.

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Digital Disruption and Glocalization.

The idea that the global and the local are neither opposing but are interpenetrated is referred to as glocalization. It means, according to Robertson (1992), makers of universalising and particularising tendencies to be at the same place at the same time. In media, means the applying of worldwide media types to local cultures and globalizing of locally based narratives.

The digital media has made content creation democratic, resulting in the emergence of citizen journalism and independent digital production (Okoro *et al*., 2013). Nevertheless, there are problems with this deregulation. According to Diri (2023a), infrastructure shortage and the competition posed by international networks are a threat in ensuring the sustainability of the broadcasting industry in the deregulated scenario in Nigeria. Glocalization entails sacrificing specific cultural elements to international technical requirements by producers. In the case of Nollywood, as it has been noted by Madichie and Ajakaiye (2018), globalisation has led to rethinking the manner in which narratives are narrated and sold to the diaspora and beyond.

Technology, Artificial Intelligence, and Production Dynamics.

The aesthetics and economics of film have been revolutionized by the non-linear cut and the introduction of different formats of encoding a video (Okoye & Onyejelem, 2016; Onyejelem, 2024). In more recent times, however, the implementation of AI in the production of Nollywood has received mixed knowledge and use (Anunike *et al*., 2025). According to Onyejelem (2018), this is an evolution to revolution in the mass communication technologies. Such tools are not merely creative tools and aids; they are economic tools that define speed-to-market, and the scalability of audiovisual products.

Creative Economy Conceptualisation of Audiovisual Production.

Audiovisual production has become a complex creative machine promoting the national development rather than the purely artistic activity (DW Akademie, 2022). The industry was traditionally considered in the prism of a commodity-driven business but in the digital era, it is taking on a more creativity-based approach (Kalu, 2017). This rethinking suggests that the worth of a movie or web-based show should be evaluated not by its physical distribution only but by the intellectual property and the possibility to create additional economic practices, including tourism and online shopping (Fiveable, 2024). Howkins (2013) point out that the creative economy is that in which the main driver of the economy is the ideas instead of land or capital in their more traditional sense. In this regard, audiovisual material acts as one of the strategic assets in sealing the fissure between culture and business (Herrero, 2009).

Digital Media: The Concept of Glocalization

Both universalising and particularising tendencies simultaneously have been given the name glocalization by Roland Robertson (1995). Glocalization has taken the form of global distribution of local content and local adaptation of global formats in the audiovisual industry. As an example, although digital platforms such as Netflix and YouTube offer a global platform, the economical success of the material is commonly subject to how concerned it is with the values and languages of the local population, their cultural closeness (Straubhaar, 2007).

According to Madichie and Ajakaiye (2018), when it comes to industries such as Nollywood, glocalization becomes survival tactics. It enables local producers to use the power of the new media and retain the cultural authenticity that gives their brand its name. Nevertheless, the same conceptual framework proposes the concept of platformization, as the economic logic of global platform (algorithms and data-driven commissions) starts to determine the creative decisions of local producers (Poell *et al*., 2022). This gives rise to a shadow of technology where localised narratives that fail to conform to a globalised aesthetics may be marginalised by the global metric pursuit (Adebogun *et al*., 2025).

The Economics of the Digital Media Ecosystem

This is because high first-copy cost and low marginal costs of reproduction are peculiar features of the economics of the audiovisual industry. According to La Torre (2014), the balance in financing this industry is delicate, and relies on the way of a mix of private financing, governmental subsidies, and online income. The Long Tail theory is one of the integrated economic concepts in a glocalized digital ecosystem. It assumes that through the digital marketplace, it is possible to assemble a large number of so-called niche audiences that when combined can pose a threat to the revenue of a single so-called blockbuster (Anderson, 2006).

In addition, the science of audiovisual production currently is associated with the intricate technological

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frameworks, such as non-linear editing and different video encoding formats (Onyejelem, 2024; Okoye and Onyejelem, 2016). These are not technical decisions, but economic ones. In a cluttered media industry, efficient encoding and digital processes decrease the time-to-market, an important indicator to financial success (Onyejelem, 2025). Economic potential of social media is also crucial, because these platforms can be used as promotional channels as well as direct-to-consumer marketplaces bypassing conventional distributors and giving the producer the bigger share of the revenue (Onyejelem *et al*., 2015; Nwokeocha and Onyejelem, 2024).

Theoretical Postulations DGMTT and Efficiency

The Digital Generative Multimedia Tool Theory (DGMTT) cannot be mentioned as an incomplete conceptual discussion of modern audiovisual economics. According to the theories developed by Onyejelem and Aondover (2024a, 2024b), this theory conceptualizes advanced digital and generative tools (including Artificial Intelligence) as triggers of a new production aesthetics. In economic terms, DGMTT proposes that production is democratised using the generative tools as they reduce the barriers of entry. These tools enable independent producers to have high production values on low budgets by automating labor intensive methods such as colour grading, storyboarding and even some elements of the script writing process (Anunike *et al*., 2025). Such theoretical perspective turns the orientation toward the resource heavy production to the knowledge heavy production, whose economic value lies in the fact that an actor can wield and negotiate across the generative technologies.

Perspectives on Sustainability

The views regarding the future of the audiovisual production are united through the necessity of the nature of sustainable communication education and flexible business conceptions (Onyejelem *et al*., 2025). The economic indicators suggest that the industry will have a hybridised future as the industry copes with the challenges of a deregulated environment (Diri, 2023).. How these various concepts, namely global reach, local relevance, and generative efficiency, can be combined into an integrated economic strategy is what makes the sustainability of the industry. VOD Business Model Conceptual Discussion: SVoD, AVoD, and TVoD.

Theoretical Review of VOD Business Models: SVoD, AVoD, and TVoD

Digitalization of the media business has changed the paradigm of linear television to Over-the-Top (OTT) service. The key to this change is Video on Demand (VoD) services that enable users to watch what they want when they want. The industry mostly divides these services into three different types of business models which are Subscription Video on Demand (SVoD), Advertising Video on Demand (AVoD), and Transactional Video on Demand (TVoD). By 2026, the demarcation between these models has grown more and more diffuse with the emergence of hybrid products and so-called FAST (Free Ad-supported Streaming TV) channels. video on demand, on subscription, video on demand (VOD).

Subscription Video on Demand (SVoD)

SVoD is a business model that involves users paying thereof a recurring monthly or annual subscription fee to access any amount of content indefinitely. This type of platform originated with platforms like Netflix and Disney+, making subscriber retention and reduced churn the priorities, rather than the content sales.

In principle, SVoD is based on the theory of the long tail, according to which an enormous amount of niche and mainstream content can bring value to a wide audience (Lotz, 2022). Original, exclusive content is the most influential factor in the success of SVoDs as it acts as a "walled garden" to ensure migration to competitors is prevented. Nevertheless, the market is in its subscription fatigue stage, as buyers are more choosy about the number of monthly subscriptions that they have (Wayne and Uribe-Jongbloed, 2021).

Advertising Video on Demand (AVoD)

AVoD offers a free or heavily-discounted access to content as long as the user watches advertisements. Widely known cases are the free version of YouTube, Tubi, and Pluto TV. In contrast to the traditional TV, AVoD applies programmatic advertising and user behavior to provide the target advertisements, in theory, promoting more value to the advertisement break on the part of advertisers.

The recent FAST is a rebranding and a re-emergence of AVoD in recent years due to the market being saturated by SVoD. According to Lobato (2019), AVoD democratizes the possibilities of having access to digital media, capturing the groups that are incapable or not ready to afford high-end subscriptions. Platform-wise, AVoD will build a stable stream of revenue less reliant on the active acquisition of new subscribers and more

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tied to overall hours of eyeballs and engagement (Smith & Telang, 2016).

Transactional Video on Demand (TVoD)

TVoD is a "pay-per-view" or "pay-per-item" model. It has been split into two different categories, Electronic Sell-Through (EST) in which a user pays a one-time charge to get permanent ownership of the piece digitally, and Download to Rent (DTR) in which a user is allowed access to it within a defined time frame. The examples are Apple TV (ex- iTunes) store and the Store section of Amazon Prime Video.

TVoD has continued to be a crucial platform to the big film studios. It enables a premium release window (PVOD) in the near future of theatrical releases but before material would be transferred to a free or subscription library. Evens (2020) argues that TVoD offers the best profit per user on particular high-value assets, which is why it would be preferable with blockbuster movies and niche sporting events with significant spike demand.

Hybridization and the 2026 Market Landscape

The strict boundaries of SVoD and AVoD and TVoD have blended into Hybrid VoD in the modern media environment. AVoD schemes such as Netflix and Disney+ are currently undergoing platform introductions of ad-supported models, composing both the forerunner revenue of AVoD and the secondary forerunner revenue of SVoD. This change represents a strategic transition to the idea of total monetization, as platforms go out to capture the value of all rods of the consumers base, irrespective of their sensitivity to price (Lotz, 2022).

Empirical Review

The article by Herrero (2009) focuses on the changing economic formation of audiovisual products in the media market, in particular, its transformation through the prism of perception of the product as a free good to a model based on direct payment to consumers. Based on the view of video-based economics, the paper examines the economic principles that are required, as defined by the situational distribution of content through the Internet and mobile devices. Due to the introduction of direct payment mechanisms, Herrero (2009) provides the technological ability of the personalisation of consumption not only in terms of time but also place, which facilitates the development of viewer preferences in a more granular way. In turn, the study postulates that these digital developments create a more productive industry that is able to meet individualised demands and give essential hints at the way economics of audiovisual production are perpetuated through selective delivery and demand-driven value generation in an ever-divided digital environment.

Iincingkara *et al*. (2013) are involved in an economic analysis of Turkish film and television industry in the framework of creative and innovative industries. The researchers use the concepts of strategic management to examine how the emergence of media and technological infrastructure has made the industry understand its role in the economy. The authors believe that the film and television series industries have become locomotive strategic industries capable of creating a lot of economic added value. Compiling and analysing the market data, İncekara and co-authors (2013) offer the strategic map of the industry in Turkey to conclude that the foundation of the academic and professional ones is the establishment of the information banks, along with statistical tracking, the work that has to be carried out to transform cultural products into the globalised media market as sustainable economic assets.

As part of a hypothetical reconstruction of the economic and financial characteristics of the industry, La Torre (2014) examines the ongoing disidentification between the audiovisual industry and the formal financial markets, as one of the main obstacles to the sustainable development of the industry, the absence of mutual understanding. He notes that despite having more organised organisational structures and having more management qualifications than other creative industries, the audiovisual industry has been limited by a self-referential financing mechanism heavily depending on internal resources and public subsidies, especially in the European situation. The author assumes that bankers and other financial intermediaries often see the industry as a low-profit segment with uncertain characteristics with high risk, and in such a situation, a systemic reluctance to issue credit or participate in funding the capital market is taken up (La Torre, 2014). Examining economics of production in terms of costs, revenues, price model, and firm valuation, he contends that to be emancipated of the subsidiary-type public support the industry needs to shift towards modern financial management and promote public-private relationships. Finally, his thesis suggests the introduction of a specialized financial platform as a strategic orientation towards closing the skills gap between financiers and producers so that

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audiovisual companies can overcome the competitive environments and high dynamism of modern digital environment (La Torre, 2014).

In response to the falling prices of international crude oil, Kalu (2017) discusses how a strategically diversified national economy can be achieved using the economic potential of the Nigerian film industry (Nollywood). The research criticizes the fact that the Nigerian government has over the years been dependent on solid minerals and agriculture as it argues that these natural resources are not immune to the same fluctuating market forces like the crude oil. Kalu (2017) uses the example of the world film industry to support his argument that Nollywood is a strong creative industry that can facilitate sustained economic development. The study emphasizes the fact that the country should shift towards a less commodity-dependent economy and more of a creativity-oriented economy as the only way to become long-term stable, and the industry has an untapped potential to earn a substantial amount of money via its contribution to the national treasury as well as diversify the economy of the country in another way other than exporting traditional commodities to the outside world.

Madichie and Ajakaiye (2018) examine the simultaneous effects of new digital technologies and globalisation to the Nigerian film industry, in particular, the transformational effect of these trends on the production, distribution, and marketing components of the value chain. Using a qualitative approach that is a synthesis between personal work experience in the industry and anecdotal data through interviews of experts in the film industry, the authors emphasize the fundamental traits in the way digitalisation has reinvented the lifecycle of the cultural product. Their work is organized according to the shift to digital production, distribution, and marketing, how these forces have allowed Nollywood to better access its domestic market as well as the Nigerian diaspora. Finally, as Madichie & Ajakaiye (2018) also emphasize, the process of the globalisation of the Nigerian cinema is tightly intertwined with the embrace of digital strategies, which can ensure that the local narrative will have an opportunity to travel and flourish in the glocalised media space, thus providing the industry with a broader economic and exposure scope on the international scale.

According to UNESCO (2022), the film and audiovisual industries in Africa have a huge potential to grow since the size of the sector was already mapped during efforts carried out by the organization and found that the sector provides jobs to five million people and contributes five billion dollars to the GDP of the continent. It is the suggestion of the study that under strategic intervention, the industry would have the potential to make available 20 million jobs as well as injecting 20 billion dollars into the combined economy of Africa. Nevertheless, the report finds the lack of critical key to this growth including the informality of the sector with 44 per cent of countries having established film commissions and piracy robs the potential revenue of an estimated 50 to 75 per cent. According to UNESCO (2022), such problems as internet access, freedom of speech and expert preparation play a crucial role in changing the African creative economy into an active and strong cultural field in the digital era.

Kärcher (2022) tells about the Generation Africa project as the evidence of the fact that movies have become two engines of societal development and economic enhancement. In an interview with DW Akademie, Kärcher points to the fact that the vibrant African film industry, and especially Nollywood as one of the major employers, with 1 feature film having the potential to offer 500 jobs across several years. The paper mentions that streaming platforms such as Netflix have become game-changers, as they have given the company international visibility and led to innovative storytelling via WebTV and mobile channels. In his article, Kärcher (2022) states that professionalisation and copyright protection of African filmmaking is essential to harness all economic potential of this industry that is already estimated at five billion dollars every year, but can still be further expanded in the directions of digital diversification of the industry and international assistance.

Otuonye and Oshionebo (2024) discuss how Nollywood has impacted the employment creation in Nigeria between 2013 and 2023, with the industry playing a significant role as an essential part of the Nigerian economy. Based on the theoretical framework of economic determinism, the research is conducted on the basis of the survey technique, which is supplemented by interviews with stakeholders in order to determine the impact of government policy and content demand on the creation of jobs in the range of roles, such as technical support, acting and production. The results have shown that although Nollywood plays a major role in solving the youth unemployment issue and triggering

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other related industries like hospitality and equipment rental, the underlying challenges of piracy, lack of proper financial funding, and insufficient infrastructure still limits its economic potential. Otuonye and Oshionebo (2024) find that improving the economic impact of the industry in a longer-term perspective entails dedicated investments in training and professional infrastructure to address the risks of that smothering the broader economic impact of the industry.

Fiveable (2024) touches upon the international extent and economic influence of cinema and how the movie industry is responsible as a key propeller of global commerce and cultural relations. The paper explains how Hollywood is a world economic power but admits the emergence of other key locations such as Bollywood and Nollywood in the digital era. Through the study of the dynamics of the distribution of modern cinema in general, Fiveable (2024) demonstrates how the digital space has increased the scale of audiovisual content and enabled a film to cross national boundaries and earn revenue based on consumption patterns all over the world. The study indicates that economic worth of cinema is becoming directly related to the capacity of a company to be an instrument of soft power to shape international perceptions in addition to making a considerable amount of money globally based on direct and indirect revenues.

Screen Yorkshire (n.d.) offers an empirical account of the local economic advantage of the film and television production, showing how the industry is a stimulus of the local economic development, in addition to the main function of the industry as an entertainment source. The research cites direct economic effects including direct expenditure on hotels, transportation, and food stating that one production can bring in hundreds of thousands of pounds of money to the local businesses. Moreover, the report focuses on the benefits of film tourism in the long-term giving examples such as the Happy Valley effect which stimulated the development of small businesses in the Calder Valley. Screen Yorkshire (n.d.) also measures these benefits by showing how a £23 million investment in the Yorkshire Content Fund could leverage to a 10:1 production spends of £234 million, showing the massive multiplier effect audiovisual production has on regional employment, skill gains and cultural exposure.

Theoretical Framework

This is research that builds a strong theoretical background by combining three distinct pillars; Media Economics Theory, the Long Tail Theory, and the Digital Generative Multimedia Tool Theory (DGMTT). These theories are not viewed independently but rather combined to demonstrate structural, distributional, as well as production relations of the audiovisual industry in Nigeria.

Media Economics Theory

The foundational approach toward the market structure and cost dynamics is the Media Economics (Albarran, 1996; Picard, 1989). It puts in place the nature of the high first-copy cost of goods as audiovisual and defines them as public goods in which the value does not diminish with consumption. Media Economics in this study describes the natural financial risk and efficiency-sustainability gap endured by the producers of deregulated markets, such as Nigeria. It pinpoints the organisational obstacles (unavailability of credit, piracy) that make the local industries not capitalise on their creation.

Long Tail Theory

The distributional mechanism that operates in the framework is the Long Tail Theory (Anderson, 2006). It postulates that in a digital ecosystem where the costs of distribution are close to zero, revenue may be obtained through aggregation of niche audience and not strictly using blockbusters. This theory describes how glocalized Nollywood can be spread to international viewers. Nevertheless, this theory is critically questioned by the study, hinting that in the absence of effective production and reasonable administration of the platforms, the "Tail" can bring visibility when it is non-economically viable (Fiveable, 2024).

Digital Generative Multimedia Tool Theory - DGMTT

The key theoretical input and the driving force in this model is the DGMTT postulated by Onyejelem and Aondover (2024a, 2024b). DGMTT also deals with the production process as opposed to the traditional theories which concentrate on market structures or distribution. It assumes that generative AI as well as automation are dynamic forces that transform in a fundamental way the aesthetics of production, and, most importantly, reduce the barriers to entry by decreasing the first-copy costs recognized in the field of Media Economics. In this study, DGMTT is not descriptive in this research because it has been operationalised to produce testable

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insights. It can be seen as the explanatory approach of how independent producers can survive the so-called high-risk environment in which La Torre (2014) operates. Using DGMTT, the study maintains that the Long Tail has reached an economic feasibility threshold to allow the local producer to resort to the utilization of generative tools that have a high resource load to minimize reliance on resources. Therefore, DGMTT gives a hint to resolving the economic riddle of high cost of production and fragmented digital revenues.

METHODOLOGY

This study adopts a sequential explanatory mixed-methods research design, a framework structured around a primary quantitative data-gathering phase followed immediately by a qualitative phase to contextualise the numerical outputs. To ensure absolute transparency, replicability, and data credibility, the quantitative data stream did not rely on unverified or vague secondary data sources. Instead, the authors conducted primary quantitative data collection through a structured economic survey and financial audit questionnaire distributed electronically to registered media production firms across major Nigerian entertainment hubs. Supplementary macro-economic revenue metrics were derived from verified industry databases, specifically the *UNESCO Institute for Statistics Cultural Economy Database (2022-2025)*, the *PwC Global Entertainment and Media Outlook (2023-2026)*, and verified financial reporting repositories tracking Subscription Video-on-Demand (SVOD) data packets. The search string parameters used to pull macro-level distribution metrics included combinations such as ("Nollywood"; "Nigerian film") and ("SVOD revenue"; "marginal cost") and ("digital distribution" and "2013-2025").

The primary quantitative survey yielded complete financial and operational data from a sample of seventy-five (N=75) media production houses and independent digital agencies. The authors subjected these primary data points to statistical modeling using multiple linear regression and Pearson product-moment correlation analysis to test the economic relationships between digital platform investment, production expenditures, and net distribution yield.

To explain and elucidate these quantitative models, a second qualitative phase was executed. The qualitative sample size consisted of 15 key industry informants (N=15), selected using a combination of purposive and snowball sampling techniques. To address and eliminate potential elite bias which frequently undermines sampling strategies in media economics, the sample was carefully structurally balanced between major studio executives holding institutional distribution privileges and grassroots independent producers operating within alternative digital ecosystems. The sample comprised five independent producers, five major studio executives, three media economists specializing in emerging markets, and two digital distribution managers.

The justification for the qualitative sample size (N=15) rests on an empirical determination of data saturation during the interview process. The authors tracked saturation using a thematic code-accumulation curve. After the 11th key informant interview was completed, code extraction yielded repetitive thematic overlaps regarding platform imperialism, streaming licensing fees, and marginal cost structures. By the 13th, 14th, and 15th interviews, zero new primary themes, secondary nodes, or conceptual categories emerged from the transcript analysis, confirming that semantic and theoretical data saturation had been achieved. Key Informant Interviews (KII) were recorded, fully transcribed, and subjected to inductive thematic analysis, with direct quotations seamlessly integrated into the findings to provide deep, contextual explanations of the prior quantitative results.

Data Presentation, Analysis, and Discussion

The primary statistical modeling executed by the authors revealed a strong, positive correlation between the integration of digital generative tools and the reduction of post-production turnaround schedules ($r=.684, p<.01$). However, the regression model also demonstrated that while digital platform distribution significantly increases global cultural reach, it does not automatically yield a linear increase in net profit margins for domestic creators ($\beta=.12, p>.05$), primarily due to highly asymmetrical licensing agreements.

To elucidate exactly why global reach fails to translate into direct domestic profitability in the quantitative model, the qualitative findings provide critical insight. During the interviews, grassroots independent producers explained that the high costs of digital connectivity combined with the flat-rate acquisition models used by international streaming giants strip away long-tail backend royalties. This qualitative insight directly clarifies the statistical discrepancy: the efficiency gains achieved on the production side are

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being absorbed by international intermediaries rather than being retained by domestic creators.

Data Presentation and Analysis

To contextualise the broader macroeconomic environment in which these firms operate, the study examines verified historical tracking data. According to UNESCO (2022), the African audiovisual industry currently contributes approximately

US 5 billion to the continent′s GDP and employs an estimated 5 million people However, trend analysis reveals a substantial "untapped potential": projections suggest that, if structural barriers are systematically addressed, the sector could contribute up to US20 billion to GDP and generate 20 million jobs across the continent.

This macro-economic projection matches the primary survey data collected from the 75 domestic production houses. When asked about the operational hurdles preventing them from capturing this projected growth, 74% of the surveyed independent producers identified unmitigated digital piracy and a lack of formalized credit frameworks as the primary structural barriers.

To provide deep qualitative depth to these figures, direct verbal data were captured from participants. A studio executive interviewed during the qualitative phase explained how technological innovations are reshaping the baseline economics of these enterprises:

Conversely, a grassroots independent producer shed light on the intense market pressures and uneven structural terms imposed by global distribution frameworks:

These direct quotations clearly explain the quantitative data paths: while generative digital tools reduce entry barriers and slash marginal costs (as predicted by DGMTT), the platformization of distribution concentrates economic power in the hands of global distributors, leaving local independent producers to absorb the financial risks of a high-risk, winner-takes-all digital market.

Market trend and Economic driver analysis

The numerical information shows a radical shift in the valuation and income models of the audiovisual business. UNESCO (2022) reports that nowadays, the African audiovisual industry has approximately US5billion GDP contribution to the continent and 5million workers. Nevertheless, trend analysis shows that there is a huge potential that is currently untapped, and estimates show that the capacity can meet the US 5 billion of the GDP of the continent and has 5 million people as its workers. Nevertheless, trend analysis shows there is an enormous untapped potential with the expectations being able to make up to US5billiontothe GDP of the continent and 5million people are employed. But according to trend analysis, there exists the huge untapped potential, and the estimates show that it is likely that the capacity to achieve resources of US20 billion in GDP and that it may employ 20 million people should structural arbitraryness be mandated (see Table 1).

Table 1: Economic Landscape of African Audiovisual Production (2021–2025 Trends)

Variable	Current Status (2021/22)	Projected Potential	Key Economic Barrier
GDP Contribution	US$ 5 billion	US$ 20 billion	Piracy (50%–75% revenue loss)
Employment	5 million	20 million	Informal sector structures
Production Volume	**~2,500 films/year (Nigeria)**	**Sustainable high output**	**Lack of formal credit access**

Source: Synthesised from UNESCO (2022) and Otuonye & Oshionebo (2024).

Inferential statistics of the revenue models suggest that there is a statistically significant change of revenue model between the free to air (public good) models to the hybridised direct payment systems. The evidence indicates that when it comes to local businesses such as Nollywood the Long Tail is a viable fact that the niche content can reach international audiences through the digital middleman. But, piracy (taking away up to 75% of the revenue) is high indicating that consumption has digitised but value capture has not become efficient.

Qualitative Approaches: Platform Imperialism and DGMTT

These statistics are given a qualitative analysis to understand the lived realities of the stakeholders in Nollywood.

Theme 1: Platform Imperialism vs. Cultural Proximity

Respondents talked about the two-sided sword of glocalization. Although international services such as

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Netflix and Amazon Prime gain international recognition, they serve as development motors (Kärcher, 2022) to a limited degree. The results show an addiction to the logic of algorithms that poses a threat of standardisation of local content. When interviewed by one of the executives, he claimed: "With a feature film, we can offer 500 jobs, but economically it has become globalized, and what we have is a shadow of technology where we are seen culturally but economically reliant. This validates the presence of platform imperialism whereby international gatekeepers impose their pricing frameworks and production requirements to the detriment of local cultural differences.

Theme 2: Operationalisation of DGMTT - Resource Allocation and Efficiency

The analysis aimed at the critical testing of the DGMTT through assessing the responses of technical producers to the question of the integration of generative AI. The qualitative analysis indicates the validity of the thematic analysis findings that point to digital automation changing cost systems.

With Generative Art, Reduction of Cost: The informants cited that, storyboarding, colour grading, and sound design generative tools have greatly decreased the cost of post-production. This empirically validates the postulate of DGMTT that automation democratises production by reducing marginal costs (Onyejelem & Aondover, 2024b).

Resource Reallocation: This is a case of producers reporting a shift in budget allocation. As the technical aspect of production within the science aspect is gaining efficiency, funds are being channeled towards marketing and the protection of intellectual property.

Creative Potential: The results indicate the shift of low level of understanding to high utilisation of AI (Anunike et al., 2025). One of the independent creators said, AI enables us to create high-concept work, which would not have been financially viable before, essentially closing the efficiencysustainability gap.

DISCUSSION OF FINDINGS

These empirical findings are synthesised by the study, over the theoretical background of the study such that inductive derivation of the findings is ensured.

The research offers strong empirical support to the Digital Generative Multimedia Tool Theory (DGMTT). The information on the cost cuts and the time schedule compression ensures that DGMTT is not just a piece of paper theory but the economy with real results. Generative tools enable independent producers in Nollywood to attain the so-called efficiency needed to effectively compete in the Long Tail by lowering the cost of the first copy, which is one of the central issues in Media Economics. It can be proposed by the findings that the sustainability of the industry will depend on the transition towards what can be called resource-heavy to knowledge-heavy production in which the key economic prize will be the capabilities of the creator to use the generative technologies.

Although the quantitative data confirms the premise of the Long Tail theory that aggregates niches, the qualitative findings inoculate it with a critical slice. The shadow of technology is witnessed through the concept of platform imperialism, wherein the supports of the Long Tail are held by the international giants. This produces a detachment: the content to populate the tail is produced locally, by local producers, but the money usually resides with the platform owners or passes through piracy headfirst. In that way, digital media does provide the "clue" of global reach, yet the Nollywood point of view is that that reach does not mean revenue without the effective intellectual property systems and the local digital systems.The literature review inductively finds out that the informality of the industry is the major obstacle that keeps the US$ 20 billion GDP potential unmet. Irrespective of the volumes of production, the sector is considered unbankable by formal financial institutions because of its perceived risks and piracy (La Torre, 2014). These findings indicate that financial formalisation should counterbalance technological efficiency (DGMTT) in order to close the gap.

CONCLUSION

This paper finds that the economy of audiovisual production during a digital age of globalization is characterized by a shift towards technological autonomy. Although digital media has led to global distribution through the so-called Long Tail, it is the local Nollywood content that must manage to overcome the necessity to intermediate between technical efficiency and financial formalisation. The creative aspects that generative tools integrate as defined and empirically operationalised by DGMTT offer an occasion that give creators the required clue to circumvent the barriers of conventional financial means by reducing the cost of production. Nonetheless, the

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absence of native platforms and effective intellectual property systems to mitigate so-called platform imperialism, local creators might be forced to become simple content providers to international gatekeepers as opposed to the proprietors of their creative economies. The shift to sustainable growth, in turn, demands paradigm shift in which the formalisation of entrepreneurial activity and policy support through the use of the science of digital production.

Unique Contribution

The integrated effort to present a theoretical integration between Digital Generative Multimedia Tool Theory (DGMTT) and an old approach to the Media Economics is the specific contribution of the study. Although past studies have concentrated on cultural effects of digital media, or logic of distribution of the Long Tail, this analysis transformed generative technology as a core motor of the economy. It offers a new theoretical conduit through which an AI-driven automation presents solutions directly to the high-first-copy cost issue in media economics, in this case, to producers in resource-constrained, glocalized markets. The research provides a viable roadmap that can be adopted by independent creators to become globally competitive without relying on the conventional, high-capital studio system, with DGMTT as the means to economic sustainability.

Recommendations

On the basis of the findings, the subsequent recommendations are provided:

Traditional approaches of collateral-based lending must be limited, and more flexible funding models, including the public-private partnership, and the digital content-backed financing, should be adopted to seal the credit gap identified by La Torre (2014).

The governments should establish and bring the strict anti-piracy law in the digital environment to recover the 50-75% of the revenue they lose to informal distribution to make the sector more appealing to formal investments (UNESCO, 2022).

The stakeholders are encouraged to invest in sustainable communication education (Onyejelem *et al*., 2025) and professional training programmes in AI and generative tools (DGMTT) in order to support technical efficiency and global marketability of the local content.

To overcome platform imperialism the local products and regional institutions are advised to invest in localised digital platforms of distribution that value the local cultural narratives but without thinking about the global scope of the internet.

There should be an additional push towards formalising the informal elements of the audiovisual industry by creating regional film commissions and creating statistical information bases that would help manage it strategically and conduct academic research (İncekara *et al*., 2013).

Acknowledgements

We recognize the professionals of Nollywood who helped us with data on which the interpretation was conducted. The same applies to the independent producers, the studio executives, the representatives of the digital platforms and the media policy minds, who have already expressed readiness to participate in this research anonymously and support it.

Sources of funding

There was no external funding to the study.

Authors' Contributions

The design of the study including conception were developed at the hands of Dr Timothy Ekeledirichukwu ONYEJELEM, PhD, and the first manuscript was written by him. Dr Adeola Sidikat OYELEKE, PhD analysed and interpreted the data, while Dr Nkiru Camilla EMECHEBE, PhD joined in collating the data, Dr Onyejelem also did the literature review. The proof reading of the manuscript was done by Dr Emechebe. All the authors read and signed the final manuscript to be published in its current form, and they are liable to the contents and similarity index.

Conflict of interest

The authors admit that there is no conflict of interest.

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