



Movies

The Impact of Moving Images



The Development of Film

○ Milestones

- Muybridge was the first to project moving pictures.
- Eastman developed the first roll film, which was improved by Goodwin, who used **celluloid**.
- **Kinetograph**, **kinetoscope**, and **vitascope** developed under Edison.
- Lumière brothers invented the cinematograph.



The Arrival of Nickelodeons

o Nickelodeons

- Form of movie theater
- Name combines the admission price with the Greek word for “theater.”
- Often converted storefronts
- Piano players added live music.
- Transcended language barriers
- Peaked by 1910



Production

- Actors
 - Originally anonymous
 - Industry eventually understood the value of creating stars such as Mary Pickford.
 - Pickford helped elevate the financial status of actors.
 - Left Zukor to form United Artists
- **Studio system** controlled creative talent in the industry.



Distribution

- Film exchange system
 - In exchange for providing short films, movie companies received a percentage of ticket-gate receipts.
- Block booking distribution
 - Exhibitors had to rent marginal films in order to get films with big stars.
- Marketing of American films in Europe



The Introduction of Sound

- Early attempts at **talkies** failed.
- *The Jazz Singer* (1927) and *The Singing Fool* (1928) were the first successful talkies.
- Movietone **newsreels**
 - Premiered sound film five months before *The Jazz Singer*
 - First film footage with sound
 - Lindbergh's takeoff and return



Movie Genres

○ Popular genres

- Action/adventure
- Mystery/suspense
- Fantasy/science fiction
- Musical
- Western
- Comedy
- Drama
- Romance
- Horror
- Gangster
- Film noir



Television Changes Hollywood

- TV became the primary family entertainment by the mid-1950s.
- Movie industry's response
 - More serious subject matter that explored larger social problems
 - New technologies
 - Cinerama, CinemaScope, VistaVision
 - 3-D
 - Panavision



Hollywood Adapts to Home Entertainment

- Introduction of cable and videocassettes in 1970s changed movie exhibition.
 - Video market was a financial bonanza for movie industry.
- Traditional video rental market is declining.
- Future of video rental is in Internet distribution.



Production, Distribution, and Exhibition Today

- Movie studios have six major sources of income.
 - Box-office receipts
 - DVD sales, rentals, and downloads
 - Pay-per-view, premium cable, etc.
 - Foreign markets
 - Distributing indie films
 - Licensing and product placement

Table 7.1: Top 10 All-Time Box Office Champions

Rank	Title/Date	Domestic Gross** (\$ millions)
1	<i>Avatar</i> (2009)	\$760.5
2	<i>Titanic</i> (1997, 2012 3-D)	658.6
3	<i>The Avengers</i> (2012)	623.4
4	<i>The Dark Knight</i> (2008)	533
5	<i>Star Wars: Episode I—The Phantom Menace</i> (1999, 2012 3-D)	474.5
6	<i>Star Wars</i> (1977, 1997)	461
7	<i>The Dark Knight Rises</i> (2012)	447.8
8	<i>Shrek 2</i> (2004)	437.7
9	<i>E.T.: The Extra-Terrestrial</i> (1982, 2002)	435
10	<i>Pirates of the Caribbean: Dead Man's Chest</i> (2006)	423.3



Production, Distribution, and Exhibition Today (cont.)

- Seven companies operate more than 50 percent of U.S. screens.
- Development of megaplexes in the 1990s
 - Addition of IMAX screens and digital projectors in the 2000s
 - Also screen nonmovie events
 - Live sporting events, concerts, and classic TV show marathons

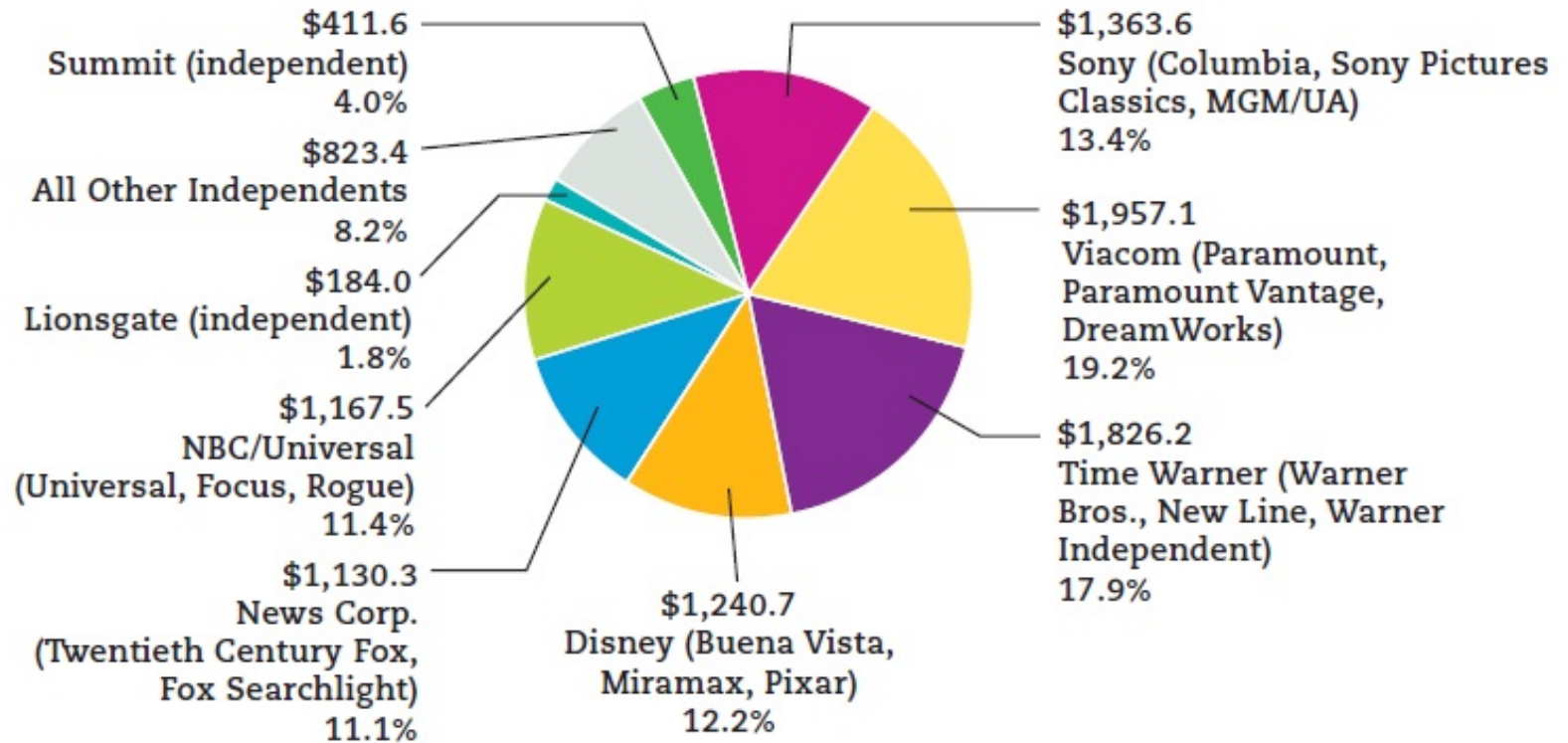


The Major Studio Players

○ Big Six

- Warner Brothers, Paramount, Twentieth Century Fox, Universal, Columbia Pictures, and Disney
 - Account for more than 90 percent of commercial film revenues
- ## ○ Began diversifying in the 1980s
- Heavy promotion and **synergy**
 - Flood of corporate mergers

Figure 7.2: Market Share of U.S. Film Studios and Distributors, 2011





Convergence: Movies Adjust to the Digital Turn

- Movie industry has quickly embraced Internet distribution.
 - Services include Hulu, Netflix, Xfinity, YouTube, and CinemaNow.
 - Increasingly available on smartphones and tablets
 - 2012: first year digital outpaced physical DVDs
- Internet essential for marketing

Figure 7.3: Online Movie Market Share Ranking in 2011

