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# Movies and the Impact of Images

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Popular Movies and Democracy

In every generation, a film is made that changes the movie industry. In 1941, that film was Orson Welles's *Citizen Kane*. Welles produced, directed, wrote, and starred in the movie at age twenty-five, playing a newspaper magnate from a young man to old age. While the movie was not a commercial success initially (powerful newspaper publisher William Randolph Hearst, whose life was the inspiration for the movie, tried to suppress it), it was critically praised for its acting, story, and directing. *Citizen Kane*'s dramatic camera angles, striking *film noir*-style lighting, nonlinear storytelling, montages, and long deep-focus shots were considered technically innovative for the era. Over time, *Citizen Kane* became revered as a masterpiece, and in 1997 the American Film Institute named it the Greatest American Movie of All Time. "*Citizen Kane* is more than a great movie; it is a gathering of all the lessons of the emerging era of sound," film critic Roger Ebert wrote.<sup>1</sup>



A generation later, the space epic *Star Wars* (1977) changed the culture of the movie industry. *Star Wars*, produced, written, and directed by George Lucas, departed from the personal filmmaking of the early 1970s and spawned a blockbuster mentality that formed a new primary audience for Hollywood—teenagers. It had all of the now-typical blockbuster characteristics like massive promotion and lucrative merchandising tie-ins. Repeat attendance and positive buzz among young people made the first *Star Wars* the most successful movie of its generation.

*Star Wars* has impacted not only the cultural side of moviemaking but also the technical form. In the first *Star Wars* trilogy, produced in the 1970s and 1980s, Lucas developed technologies that are now commonplace in moviemaking—digital animation, special effects, and computer-based film editing. With the second trilogy, Lucas again broke new ground in the film industry. Several scenes of *Star Wars: Episode I—The Phantom Menace* (1999) were shot on digital video, easing integration with digital special effects. *The Phantom Menace* also used digital exhibition, becoming the first full-length motion picture from a major studio to use digital projectors, which have steadily been replacing standard film projectors.

For the current generation, no film has shaken up the film industry like *Avatar* (2009). Like *Star Wars* before it, *Avatar* was a groundbreaking blockbuster. Made for an estimated \$250–\$300 million, it became the all-time domestic box office champion, pulling in about \$760 million, and more than \$2.7 billion worldwide. *Avatar* integrated 3-D movie technology seamlessly, allowing viewers to immerse themselves in

the computer-generated world of the ethereal planet Pandora, home of the eleven-foot-tall blue beings called the Na'vi. Director James Cameron worked with Sony to develop new 3-D cameras (a major technical innovation), which were an essential element of the filmmaking process and story, rather than a gimmicky add-on. The late Roger Ebert likened the movie to a blockbuster he saw a generation earlier: “Watching *Avatar*, I felt sort of the same as when I saw *Star Wars* in 1977. That was another movie I walked into with uncertain expectations. . . . *Avatar* is not simply a sensational entertainment, although it is that. It’s a technical breakthrough.”<sup>2</sup>

Though *Avatar* was released in both conventional 2-D and 3-D versions, it was the 3-D version that not only most impressed viewers but also changed the business of Hollywood. Theaters discovered they could charge a premium for the 3-D screenings and still draw record crowds. The success of *Avatar* paved the way for more 3-D movies like *The Hobbit: The Desolation of Smaug*; *Iron Man 3*; and *Star Trek Into Darkness*. But 3-D, which can add 20 to 30 percent to the budget of a film, isn’t a guarantee of success. In fact, savvy filmgoers are rejecting 3-D films where the format seems like an unnecessary gimmick.




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**“In one way or another all the big studios have been trying to make another *Star Wars* ever since.”**

ROGER EBERT

▲ **DATING BACK TO THE LATE 1800s**, films have had a substantial social and cultural impact on society. Blockbuster movies such as *Star Wars*, *E.T.*, *Titanic*, *Lord of the Rings*, *Shrek*, *Avatar*, and *The Avengers* represent what Hollywood has become—America’s storyteller. Movies tell communal stories that evoke and symbolize our most enduring values and our secret desires (from *The Wizard of Oz* to *The Godfather* and the Batman series).

Films have also helped moviegoers sort through experiences that either affirmed or deviated from their own values. Some movies—for instance, *Last Tango in Paris* (1972), *Scarface* (1983), *Brokeback Mountain* (2005), *Fahrenheit 9/11* (2004), and *The Dictator* (2012)—have allowed audiences to survey “the boundary between the permitted and the forbidden” and to experience, in a controlled way, “the possibility of stepping across this boundary.”<sup>3</sup> Such films—criticized by some for appearing to glorify crime and violence, verge on pornography, trample on sacred beliefs, or promote unpatriotic viewpoints—have even, on occasion, been banned from public viewing.

Finally, movies have acted to bring people together. Movies distract us from our daily struggles: They evoke and symbolize universal themes of human experience (the experience of childhood, coming of age, family relations, growing older, and coping with death); they can help us understand and respond to major historical events and tragedies (for instance, the Holocaust and 9/11); and they encourage us to rethink contemporary ideas as the world evolves, particularly in terms of how we think about race, class, spirituality, gender, and sexuality.

In this chapter, we examine the rich legacy and current standing of movies. We will:

- Consider film’s early technology and the evolution of film as a mass medium
- Look at the arrival of silent feature films, the emergence of Hollywood, and the development of the studio system with regard to production, distribution, and exhibition
- Explore the coming of sound and the power of movie storytelling
- Analyze major film genres, directors, and alternatives to Hollywood’s style, including independent films, foreign films, and documentaries
- Survey the movie business today—its major players, economic clout, technological advances, and implications for democracy
- Examine how convergence has changed the way the industry distributes movies and the ways we experience them

As you consider these topics, think about your own relationship with movies. What is the first movie you remember watching? What are your movie-watching experiences like today? How have certain movies made you think differently about an issue, yourself, or others? For more questions to help you think through the role of movies in our lives, see “Questioning the Media” in the Chapter Review.

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**“The movie is not only a supreme expression of mechanism, but paradoxically it offers as product the most magical of consumer commodities, namely dreams.”**

MARSHALL MCLUHAN,  
*UNDERSTANDING  
MEDIA*, 1964

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## Past-Present-Future: Movies

In film technology’s nascent years, just seeing a few minutes of film screened on a white wall was an event, the fascination of moving images being sufficiently entertaining. Soon, nickelodeons brought movies to the masses, and they have remained shared cultural experiences ever since, continuing on to today’s digital screens and giant IMAX theaters.

There have been points in the history of film in which Hollywood was concerned that television, then videotapes and DVDs, would end the movie industry. For example, the video industry took off in the 1970s only after the motion picture industry lost a court battle. But people still flocked

to theaters. Similar concerns about the movie industry’s demise are popping up today. Movie theater owners fear that the ease of watching movies at home and on mobile devices will mean fewer people going to the theaters. Because of this fear, they have insisted on maintaining a longer “window” between a theatrical release and video on demand release. Are these concerns valid? Would a shorter waiting period between theatrical releases and streaming undermine the theater box office? Should movies open in all venues—streaming, downloads, and theaters—at the same time? If they did, would theaters still survive? As the film industry confronts its future, it might take solace in the fact that throughout its history, disruptions in media technology never stopped people from desiring the shared cultural experience that movies offer.

## Early Technology and the Evolution of Movies

History often credits a handful of enterprising individuals with developing the new technologies that lead to new categories of mass media. Such innovations, however, are usually the result of simultaneous investigations by numerous people. In addition, the innovations of both known and unknown inventors are propelled by economic and social forces as well as by individual abilities.<sup>4</sup>

### The Development of Film

The concept of film goes back as early as Leonardo da Vinci, who theorized in the late 1400s about creating a device that would reproduce reality. Other early precursors to film included the Magic Lantern in the seventeenth century, which projected images painted on glass plates using an oil lamp as a light source; the invention of the *thaumatrope* in 1824, a two-sided card with different images on each side that appeared to combine the images when twirled; and finally, the introduction in 1834 of the *zoetrope*, a cylindrical device that rapidly twirled images inside a cylinder, which appeared to make the images move.

### Muybridge and Goodwin Make Pictures Move

The development stage of movies began when inventors started manipulating photographs to make them appear to move while simultaneously projecting them on a screen. Eadweard Muybridge, an English photographer living in America, is credited with being the first to do both. He studied motion by using multiple cameras to take successive photographs of humans and animals in motion. One of Muybridge's first projects involved using photography to determine if

### ▼ Movies and the Impact of Images

#### Celluloid

In 1889, U.S. minister Hannibal Goodwin develops the transparent, flexible film that enables motion pictures to be created (p. 242).

#### The Vitascope

Edison's vitascope invention of 1896 popularizes large-screen film projection in the United States (p. 243).

#### Nickelodeons

Starting in 1907, storefront movie theaters with a five-cent admission price begin to flourish in the United States (p. 244).

#### Movie Studio System

During the 1920s, a movie studio system gains control of the production, distribution, and exhibition of movies (pp. 244-245).

#### Big Five and Little Three

The Big Five studios (Paramount, MGM, Warner Brothers, Twentieth Century Fox, and RKO) and the Little Three (Columbia, Universal, and United Artists) form a powerful oligopoly in the late 1920s (p. 247).

1880

1890

1900

1910

1920

1930

1940

#### Kinetoscope Parlors

Thomas Edison's team opens the first such parlor of coin-operated machines in New York in 1894 (pp. 242-243).

#### Film Screenings in Paris

In 1895, the Lumière brothers show short films in a Parisian café (p. 243).

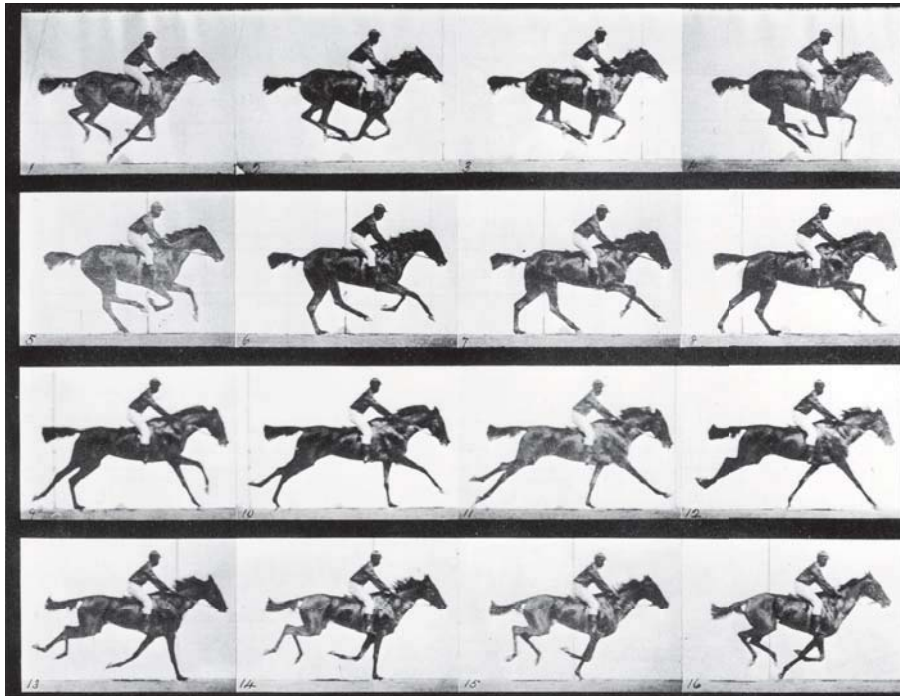


#### Movie Palaces

The first of a national trend of opulent movie palaces opens in New York in 1914 (p. 247).

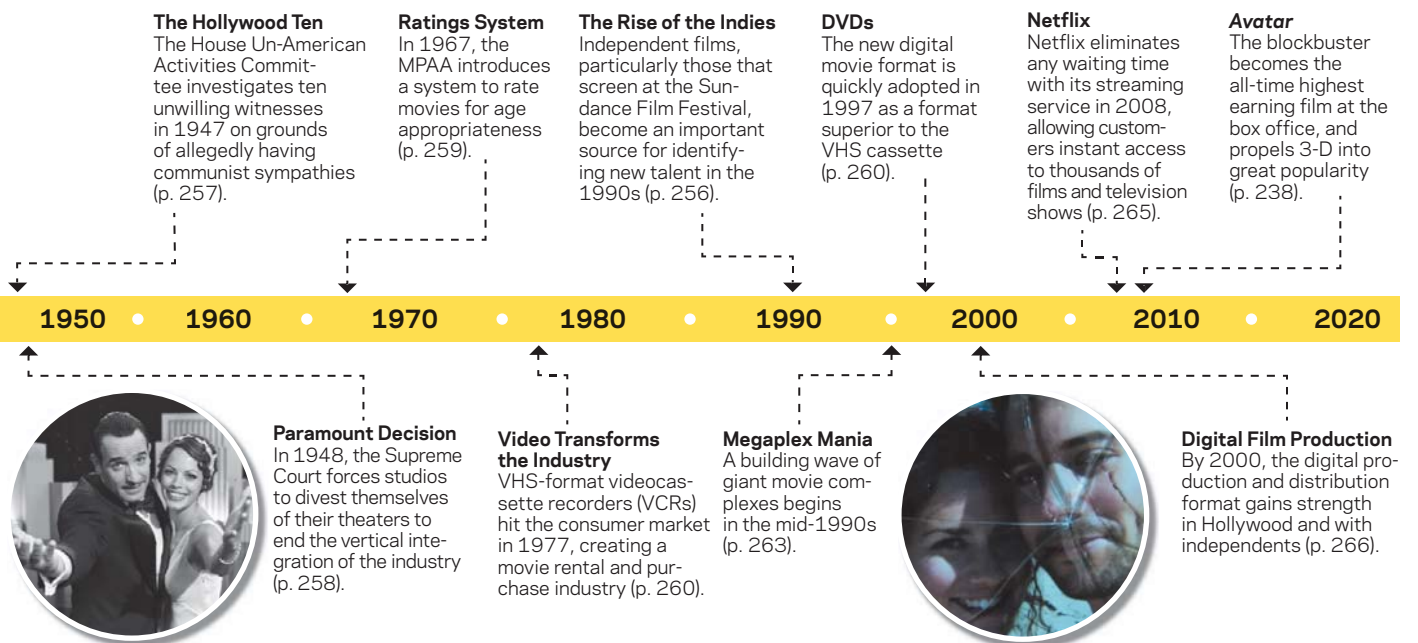
#### Sound Comes to Movies

*The Jazz Singer* (1927) and *The Singing Fool* (1928), both starring Al Jolson, bring sound to the screen (pp. 248-249).



**EADWEARD MUYBRIDGE'S** study of horses in motion, like the one shown, proved that a racehorse gets all four feet off the ground during a gallop. In his various studies of motion, Muybridge would use up to twelve cameras at a time.

a racehorse actually lifts all four feet from the ground at full gallop (it does). By 1880, Muybridge had developed a method for projecting the photographic images on a wall for public viewing. These early image sequences were extremely brief, showing only a horse jumping over a fence or a man running a few feet, because only so many photographs could be mounted inside the spinning cylinder that projected the images.



Meanwhile, other inventors were also working on capturing moving images and projecting them. In 1884, George Eastman (founder of Eastman Kodak) developed the first roll film—a huge improvement over the heavy metal and glass plates used to make individual photos. The first roll film had a paper backing that had to be stripped off during the film developing stage. Louis Aimé Augustin Le Prince, a Frenchman living in England, invented the first motion picture camera using roll film. Le Prince, who disappeared mysteriously on a train ride to Paris in 1890, is credited with filming the first motion picture, *Roundhay Garden Scene*, in 1888. About two seconds' worth of the film survives today.

In 1889, a New Jersey minister, Hannibal Goodwin, improved Eastman's roll film by using thin strips of transparent, pliable material called **celluloid** that could hold a coating of chemicals sensitive to light. Goodwin's breakthrough solved a major problem: It enabled a strip of film to move through a camera and be photographed in rapid succession, producing a series of pictures. Because celluloid was transparent (except for the images made on it during filming), it was ideal for projection, as light could easily shine through it. George Eastman, who also announced the development of celluloid film, legally battled Goodwin for years over the patent rights. The courts eventually awarded Goodwin the invention, but Eastman's company still became the major manufacturer of film stock for motion pictures by buying Goodwin's patents.

### Edison and the Lumières Create Motion Pictures

As with the development of sound recording, Thomas Edison takes center stage in most accounts of the invention of motion pictures. In the late 1800s, Edison initially planned to merge phonograph technology and moving images to create talking pictures (which would not happen in feature films until 1927). Because there was no breakthrough, however, Edison lost interest. He directed an assistant, William Kennedy Dickson, to combine Edison's incandescent lightbulb, Goodwin's celluloid, and Le Prince's camera to create another early movie camera, the **kinetograph**, and a single-person viewing system, the **kinetoscope**. This small projection system housed fifty feet of film that revolved on spools (similar to a library microfilm reader).

**KINETOSCOPES** allowed individuals to view motion pictures through a window in a cabinet that held the film. The first kinetoscope parlor opened in 1894 and was such a hit that many others quickly followed. ▶





Viewers looked through a hole and saw images moving on a tiny plate. In 1894, the first kinetoscope parlor, featuring two rows of coin-operated machines, opened on Broadway in New York.

Meanwhile, in France, brothers Louis and Auguste Lumière developed the *cinematograph*, a combined camera, film development, and projection system. The projection system was particularly important, as it allowed more than one person at a time to see the moving images on a large screen. In a Paris café on December 28, 1895, the Lumières projected ten short movies for viewers who paid one franc each, on such subjects as a man falling off a horse and a child trying to grab a fish from a bowl. Within three weeks, twenty-five hundred people were coming each night to see how, according to one Paris paper, film “perpetuates the image of movement.”

With innovators around the world now dabbling in moving pictures, Edison’s lab renewed its interest in film. Edison patented several inventions and manufactured a new large-screen system called the **vitascop**e, which enabled filmstrips of longer lengths to be projected without interruption and hinted at the potential of movies as a future mass medium. Staged at a music hall in New York in April 1896, Edison’s first public showing of the vitascop featured shots from a boxing match and waves rolling onto a beach. The *New York Times* described the exhibition as “wonderfully real and singularly exhilarating.” Some members of the audience were so taken with the realism of the film images that they stepped back from the screen’s crashing waves to avoid getting their feet wet.

Early movie demonstrations such as these marked the beginning of the film industry’s entrepreneurial stage. At this point, movies consisted of movement recorded by a single continuous camera shot. Early filmmakers had not yet figured out how to move the camera around or how to edit film shots together. Nonetheless, various innovators were beginning to see the commercial possibilities of film. By 1900, short movies had become a part of the entertainment industry, being utilized in amusement arcades, traveling carnivals, wax museums, and vaudeville theater.

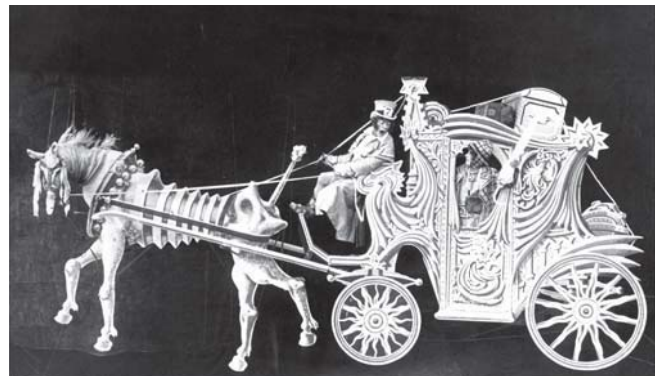
## The Introduction of Narrative

The shift to the mass medium stage for movies occurred with the introduction of **narrative films**: movies that tell stories. Audiences quickly tired of static films of waves breaking on beaches or vaudeville acts recorded by immobile cameras. To become a mass medium, the early silent films had to offer what books achieved: the suspension of disbelief. They had to create narrative worlds that engaged an audience’s imagination.

Some of the earliest narrative films were produced and directed by French magician and inventor Georges Méliès, who opened the first public movie theater in France in 1896. Méliès may have been the first director to realize that a movie was not simply a means of recording reality. He understood that a movie could be artificially planned and controlled like a staged play. Méliès began producing short fantasy and fairy-tale films—including *The Vanishing Lady* (1896), *Cinderella* (1899), and *A Trip to the Moon* (1902)—by increasingly using editing and existing camera tricks and techniques, such as slow motion and cartoon animation, that became key ingredients in future narrative filmmaking.

The first American filmmaker to adapt Méliès’s innovations to narrative film was Edwin S. Porter. A cameraman who had studied Méliès’s work in an Edison lab, Porter mastered the technique of editing diverse shots together to tell a coherent story. Porter shot narrative scenes out of order (for instance, some in a studio and some outdoors) and reassembled, or edited, them to make a story. In 1902, he made what is regarded as America’s first narrative film, *The Life of an American Fireman*. It also contained the first close-up shot in U.S. narrative film history—a ringing fire alarm. Until then, moviemakers thought close-ups cheated the audience of the opportunity to

**GEORGES MÉLIÈS** trained as a stage magician before becoming interested in film—a talent he brought to his movies. Méliès is widely known as one of the first filmmakers to employ “tricks,” or special effects, such as time-lapse photography, the stop trick, and multiple exposures. His impressive body of work includes the famous *A Trip to the Moon* (1902), *The Impossible Voyage* (1904), and *The Merry Frolics of Satan* (1906, pictured).





see an entire scene. Porter's most important film, *The Great Train Robbery* (1903), introduced the western genre as well as chase scenes. In this popular eleven-minute movie that inspired many copycat movies, Porter demonstrated the art of film suspense by alternating shots of the robbers with those of a posse in hot pursuit.

## The Arrival of Nickelodeons

Another major development in the evolution of film as a mass medium was the arrival of **nickelodeons**—a form of movie theater whose name combines the admission price with the Greek word for “theater.” According to media historian Douglas Gomery, these small and uncomfortable makeshift theaters were often converted storefronts redecorated to mimic vaudeville theaters: “In front, large, hand-painted posters announced the movies for the day. Inside, the screening of news, documentary, comedy, fantasy, and dramatic shorts lasted about one hour.”<sup>5</sup> Usually, a piano player added live music, and sometimes theater operators used sound effects to simulate gunshots or loud crashes. Because they showed silent films that transcended language barriers, nickelodeons flourished during the great European immigration at the turn of the twentieth century. These theaters filled a need for many newly arrived people struggling to learn English and seeking an inexpensive escape from the hard life of the city. Often managed by immigrants, nickelodeons required a minimal investment: just a secondhand projector and a large white sheet. Between 1907 and 1909, the number of nickelodeons grew from five thousand to ten thousand. The craze peaked by 1910, when entrepreneurs began to seek more affluent spectators, attracting them with larger and more lavish movie theaters.

## The Rise of the Hollywood Studio System

“The American cinema is a classical art, but why not then admire in it what is most admirable, i.e., not only the talent of this or that filmmaker, but the genius of the system.”

ANDRÉ BAZIN, FILM THEORIST, 1957

By the 1910s, movies had become a major industry. Among the first to try his hand at dominating the movie business and reaping its profits, Thomas Edison formed the Motion Picture Patents Company, known as the *Trust*, in 1908. A cartel of major U.S. and French film producers, the company pooled patents in an effort to control film's major technology, acquired most major film distributorships, and signed an exclusive deal with George Eastman, who agreed to supply movie film only to Trust-approved companies.

However, some independent producers refused to bow to the Trust's terms. There was too much demand for films, too much money to be made, and too many ways to avoid the Trust's scrutiny. Some producers began to relocate from the centers of film production in New York and New Jersey to Cuba and Florida. Ultimately, though, Hollywood became the film capital of the world. Southern California offered cheap labor, diverse scenery for outdoor shooting, and a mild climate suitable for year-round production. Geographically far from the Trust's headquarters in New Jersey, independent producers in Hollywood could also easily slip over the border into Mexico to escape legal prosecution brought by the Trust for patent violations.

Wanting to free their movie operations from the Trust's tyrannical grasp, two Hungarian immigrants—Adolph Zukor, who would eventually run Paramount Pictures, and William Fox, who would found the Fox Film Corporation (which later became Twentieth Century Fox)—played a role in the collapse of Edison's Trust. Zukor's early companies figured out ways to bypass the Trust, and a suit by Fox, a nickelodeon operator turned film distributor, resulted in the Trust's breakup for restraint of trade violations in 1917.

Ironically, entrepreneurs like Zukor developed other tactics for controlling the industry. The strategies, many of which are still used today, were more ambitious than just monopolizing patents and technology. They aimed at dominating the movie business at all three essential levels—*production*, everything involved in making a movie from securing a script and actors to raising money and filming; *distribution*, getting the films into theaters; and *exhibition*, playing films in theaters. This control—or **vertical integration**—of all levels of the movie business gave certain studios great power and eventually spawned a film industry that turned into an **oligopoly**, a situation in which a few firms control the bulk of the business.



## Production

In the early days of film, producers and distributors had not yet recognized that fans would not only seek particular film stories—like dramas, westerns, and romances—but also particular film actors. Initially, film companies were reluctant to identify their anonymous actors for fear that their popularity would raise the typical \$5 to \$15 weekly salary. Eventually, though, the industry understood how important the actors' identities were to a film's success.

Responding to discerning audiences and competing against Edison's Trust, Adolph Zukor hired a number of popular actors and formed the Famous Players Company in 1912. His idea was to control movie production not through patents but through exclusive contracts with actors. One Famous Players performer was Mary Pickford. Known as "America's Sweetheart" for her portrayal of spunky and innocent heroines, Pickford was "unspoiled" by a theater background and better suited to the more subtle and intimate new medium. She became so popular that audiences waited in line to see her movies, and producers were forced to pay her increasingly larger salaries.

An astute businesswoman, Mary Pickford was the key figure in elevating the financial status and professional role of film actors. In 1910, Pickford made about \$100 a week, but by 1914 she earned \$1,000 a week, and by 1917 she received a weekly salary of \$15,000. Having appeared in nearly two hundred films, Pickford was so influential that in 1919 she broke from Zukor to form her own company, United Artists. Joining her were actor Douglas Fairbanks (her future husband), comedian-director Charlie Chaplin, and director D. W. Griffith.

Although United Artists represented a brief triumph of autonomy for a few powerful actors, by the 1920s the **studio system** firmly controlled creative talent in the industry. Pioneered by director Thomas Ince and his company, Triangle, the studio system constituted a sort of assembly-line process for moviemaking: actors, directors, editors, writers, and others all worked under exclusive contracts for the major studios. Those who weren't under contract probably weren't working at all. Ince also developed the notion of the studio head; he appointed producers to handle hiring, logistics, and finances so that he could more easily supervise many pictures at one time. The system was so efficient that each major studio was producing a feature film every week. Pooling talent, rather than patents, was a more ingenious approach for movie studios aiming to dominate film production.

### MARY PICKFORD

With legions of fans, Mary Pickford became the first woman ever to make a salary of \$1 million in a year and gained the freedom to take artistic risks with her roles. She launched United Artists, a film distributing company, with Douglas Fairbanks, Charlie Chaplin, and D. W. Griffith. No woman since has been as powerful a player in the movie industry. Here she is seen with Buddy Rogers in *My Best Girl*.

**"No, I really cannot afford to work for only \$10,000 a week."**

MARY PICKFORD TO ADOLPH ZUKOR, 1915

**“It’s still a business where the hits make up for all the losses along the way. *Star Wars* accentuated that. Everyone wants to reproduce that success, even just once. This tells you about the strength of this kind of franchise.”**

JILL KRUTICK,  
ANALYST, SMITH  
BARNEY, 1997

## Distribution

An early effort to control movie distribution occurred around 1904, when movie companies provided vaudeville theaters with films and projectors on a *film exchange* system. In exchange for their short films, shown between live acts, movie producers received a small percentage of the vaudeville ticket-gate receipts. Gradually, as the number of production companies and the popularity of narrative films grew, demand for a distribution system serving national and international markets increased as well. One way Edison’s Trust sought to control distribution was by withholding equipment from companies not willing to pay the Trust’s patent-use fees.

However, as with the production of film, independent film companies looked for other distribution strategies outside of the Trust. Again, Adolph Zukor led the fight, developing **block booking** distribution. Under this system, to gain access to popular films with big stars like Mary Pickford, exhibitors had to agree to rent new or marginal films with no stars. Zukor would pressure theater operators into taking a hundred movies at a time to get the few Pickford titles they wanted. Such contracts enabled the new studios to test-market new stars without taking much financial risk. Although this practice was eventually outlawed as monopolistic, rising film studios used the tactic effectively to guarantee the success of their films in a competitive marketplace.

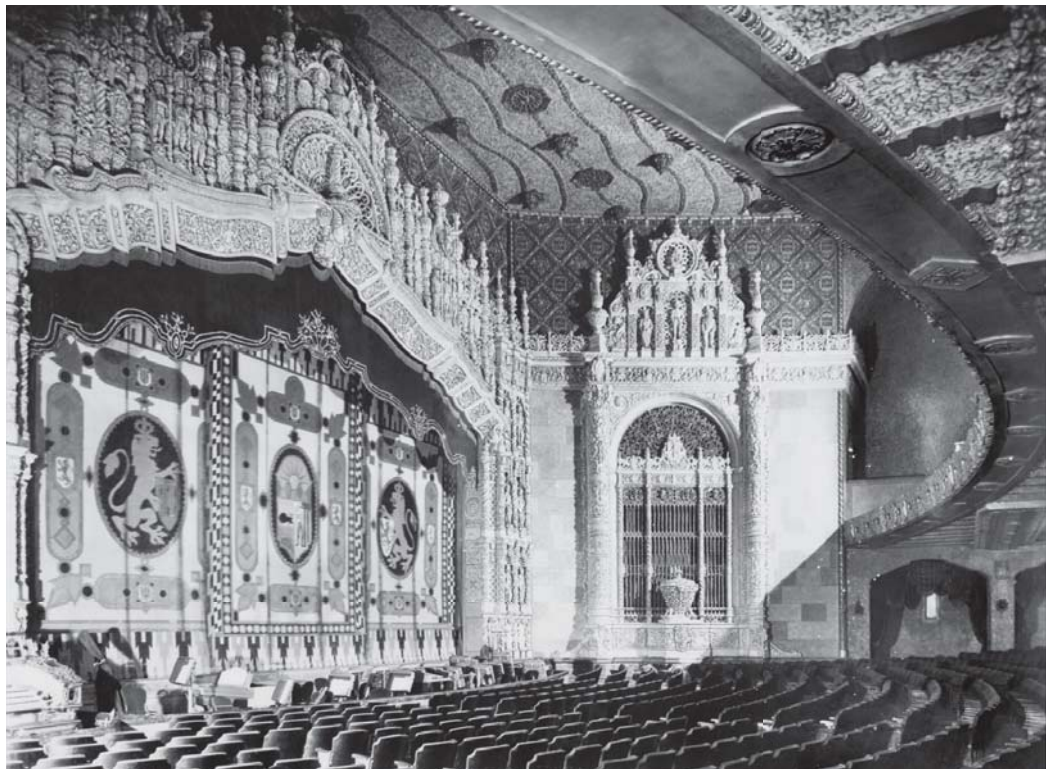
Another distribution strategy involved the marketing of American films in Europe. When World War I disrupted the once-powerful European film production industry, only U.S. studios were able to meet the demand for films in Europe. The war marked a turning point and made the United States the leader in the commercial movie business worldwide. After the war, no other nation’s film industry could compete economically with Hollywood. By the mid-1920s, foreign revenue from U.S. films totaled \$100 million. Today, Hollywood continues to dominate the world market.

## Exhibition

Edison’s Trust attempted to monopolize exhibition by controlling the flow of films to theater owners. If theaters wanted to ensure they had films to show their patrons, they had to purchase a license from the Trust and pay whatever price it asked. Otherwise, they were locked out of the Trust and had to try to find enough films from independent producers to show. Eventually, the flow of films from independents in Hollywood and foreign films enabled theater owners to resist the Trust’s scheme.

### MOVIE PALACES

Many movie palaces of the 1920s were elaborate, opulent buildings. The one pictured here includes space for a live band at the front of the theater, to provide music and sound effects for the movie.





After the collapse of the Trust, emerging studios in Hollywood had their own ideas on how to control exhibition. When industrious theater owners began forming film cooperatives to compete with block-booking tactics, producers like Zukor conspired to dominate exhibition by buying up theaters. By 1921, Zukor's Paramount owned three hundred theaters, solidifying its ability to show the movies it produced. In 1925, a business merger between Paramount and Publix (then the country's largest theater chain with more than five hundred screens) gave Zukor enormous influence over movie exhibition.

Zukor and the heads of several major studios understood that they did not have to own all the theaters to ensure that their movies were shown. Instead, the major studios (which would eventually include MGM, RKO, Warner Brothers, Twentieth Century Fox, and Paramount) only needed to own the first-run theaters (about 15 percent of the nation's theaters), which premiered new films in major downtown areas in front of the largest audiences, and which generated 85 to 95 percent of all film revenue.

The studios quickly realized that to earn revenue from these first-run theaters they would have to draw the middle and upper-middle classes to the movies. To do so, they built **movie palaces**, full-time single-screen movie theaters that provided a more hospitable moviegoing environment. In 1914, the three-thousand-seat Strand Theatre, the first movie palace, opened in New York. With elaborate architecture, movie palaces lured spectators with an elegant décor usually reserved for high-society opera, ballet, symphony, and live theater.

Another major innovation in exhibition was the development of *mid-city movie theaters*. These movie theaters were built in convenient locations near urban mass transit stations to attract the business of the urban and suburban middle class (the first wave of middle-class people moved from urban centers to city outskirts in the 1920s). This idea continues today, as **multiplexes** featuring multiple screens lure middle-class crowds to interstate highway crossroads.

By the late 1920s, the major studios had clearly established vertical integration in the industry. What had once been a fairly easy and cheap business to enter was now complex and expensive. What had been many small competitive firms in the early 1900s now became a few powerful studios, including the **Big Five**—Paramount, MGM, Warner Brothers, Twentieth Century Fox, and RKO—and the **Little Three** (which did not own theaters)—Columbia, Universal, and United Artists. Together, these eight companies formed a powerful oligopoly, which made it increasingly difficult for independent companies to make, distribute, and exhibit commercial films.



#### **BUSTER KEATON (1895–1966)**

Born into a vaudeville family, Keaton honed his comic skills early. He got his start acting in a few shorts in 1917 and went on to star in some of the most memorable silent films of the 1920s, including classics such as *Sherlock Jr.* (1924), *The General* (1927), and *Steamboat Bill Jr.* (1928). Because of Keaton's ability to match physical comedy with an unfailingly deadpan and stoic face, he gained the nickname "The Great Stone Face."

## **The Studio System's Golden Age**

Many consider Hollywood's Golden Age as beginning in 1915 with innovations in feature-length narrative film in the silent era, peaking with the introduction of sound and the development of the classic Hollywood style, and ending with the transformation of the Hollywood studio system post-World War II.

**“Wait a minute,  
wait a minute,  
you ain’t heard  
nothin’ yet.”**

FIRST WORDS SPOKEN  
BY AL JOLSON IN *THE  
JAZZ SINGER*, 1927

## Hollywood Narrative and the Silent Era

D. W. Griffith, among the first “star” directors, was the single most important director in Hollywood’s early days. Griffith paved the way for all future narrative filmmakers by refining many of the narrative techniques introduced by Méliès and Porter and using nearly all of them in one film for the first time, including varied camera distances, close-up shots, multiple story lines, fast-paced editing, and symbolic imagery. Despite the cringe-inducing racism of this pioneering and controversial film, *The Birth of a Nation* (1915) was the first *feature-length film* (more than an hour long) produced in America. The three-hour epic was also the first **blockbuster** and cost moviegoers a record \$2 admission. Although considered a technical masterpiece, the film glorified the Ku Klux Klan and stereotyped southern blacks, leading to a campaign against the film by the NAACP and protests and riots at many screenings. Nevertheless, the movie triggered Hollywood’s fascination with narrative films.

Feature films became the standard throughout the 1920s and introduced many of the film genres we continue to see produced today. The most popular films during the silent era were historical and religious epics, including *Napoleon* (1927), *Ben-Hur* (1925), and *The Ten Commandments* (1923); but the silent era also produced pioneering social dramas, mysteries, comedies, horror films, science fiction films, war films, crime dramas, westerns, and even spy films. The silent era also introduced numerous technical innovations, established the Hollywood star system, and cemented the reputation of movies as a viable art form, when previously they had been seen as novelty entertainment.

### A SILENT COMEBACK

*The Artist*, a tribute to silent movies set around the dawn of the talkies, won the Academy Award for Best Picture of 2011. It was the first (mostly) silent movie to win since the first Academy Awards in 1927.

## The Introduction of Sound

With the studio system and Hollywood’s worldwide dominance firmly in place, the next big challenge was to bring sound to moving pictures. Various attempts at **talkies** had failed since Edison first tried to link phonograph and moving picture technologies in the 1890s. During the 1910s, however, technical breakthroughs at AT&T’s research arm, Bell Labs, produced prototypes of loudspeakers and sound amplifiers. Experiments with sound continued during the

1920s, particularly at Warner Brothers studios, which released numerous short sound films of vaudeville acts, featuring singers and comedians. The studio packaged them as a novelty along with silent feature films.

In 1927, Warner Brothers produced a feature-length film, *The Jazz Singer*, starring Al Jolson, a charismatic and popular vaudeville singer who wore blackface makeup as part of his act. This further demonstrated, as did *The Birth of a Nation*, that racism in America carried into the film industry. An experiment, *The Jazz Singer* was basically a silent film interspersed with musical numbers and brief dialogue. At first, there was only modest interest in the movie, which featured just 354 spoken words. But the film grew in popularity as it toured the Midwest, where audiences stood and cheered the short bursts of dialogue. The breakthrough film, however, was Warner Brothers’ 1928 release *The Singing Fool*, which also starred Jolson. Costing \$200,000 to make, the film took in \$5 million and “proved to all doubters that talkies were here to stay.”<sup>6</sup>



Warner Brothers, however, was not the only studio exploring sound technology. Five months before *The Jazz Singer* opened, Fox studio premiered sound-film **newsreels**. Fox's newsreel company, Movietone, captured the first film footage with sound of the takeoff and return of Charles Lindbergh, who piloted the first solo, nonstop flight across the Atlantic Ocean in May 1927. Fox's Movietone system recorded sound directly onto the film, running it on a narrow filmstrip that ran alongside the larger, image portion of the film. Superior to the sound-on-record system, the Movietone method eventually became film's standard sound system.

Boosted by the innovation of sound, annual movie attendance in the United States rose from sixty million a week in 1927 to ninety million a week in 1929. By 1931, nearly 85 percent of America's twenty thousand theaters accommodated sound pictures, and by 1935 the world had adopted talking films as the commercial standard.

## The Development of the Hollywood Style

By the time sound came to movies, Hollywood dictated not only the business but also the style of most moviemaking worldwide. That style, or model, for storytelling developed with the rise of the studio system in the 1920s, solidified during the first two decades of the sound era, and continues to dominate American filmmaking today. The model serves up three ingredients that give Hollywood movies their distinctive flavor: the narrative, the genre, and the author (or director). The right blend of these ingredients—combined with timing, marketing, and luck—has led to many movie hits, from 1930s and 1940s classics like *It Happened One Night*, *Gone with the Wind*, *The Philadelphia Story*, and *Casablanca* to recent successes like *The Hunger Games* (2012) and *Lincoln* (2012).

### Hollywood Narratives

American filmmakers from D. W. Griffith to Steven Spielberg have understood the allure of *narrative*, which always includes two basic components: the story (what happens to whom) and the discourse (how the story is told). Further, Hollywood codified a familiar narrative structure across all genres. Most movies, like most TV shows and novels, feature recognizable character types (protagonist, antagonist, romantic interest, sidekick); a clear beginning, middle, and end (even with flashbacks and flash-forwards, the sequence of events is usually clear to the viewer); and a plot propelled by the main character experiencing and resolving a conflict by the end of the movie.

Within Hollywood's classic narratives, filmgoers find an amazing array of intriguing cultural variations. For example, familiar narrative conventions of heroes, villains, conflicts, and resolutions may be made more unique with inventions like computer-generated imagery (CGI) or digital remastering for an IMAX 3-D Experience release. This combination of convention and invention—standardized Hollywood stories and differentiated special effects—provides a powerful economic package that satisfies most audiences' appetites for both the familiar and the distinctive.

### Hollywood Genres

In general, Hollywood narratives fit a **genre**, or category, in which conventions regarding similar characters, scenes, structures, and themes recur in combination. Grouping films by category is another way for the industry to achieve the two related economic goals of *product standardization* and *product differentiation*. By making films that fall into popular genres, the movie industry provides familiar models that can be imitated. It is much easier for a studio to promote a film that already fits into a preexisting category with which viewers are familiar. Among the most familiar genres are comedy, drama, romance, action/adventure, mystery/suspense,

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"I think that American movies, to be honest, are just simple. You blow things up, you shoot people, you have sex and you have a movie. And I think it appeals to just the more base emotions of people anywhere."

ANTHONY KAUFMANN,  
FILM JOURNALIST,  
2004

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"The thing of a musical is that you take a simple story, and tell it in a complicated way."

BAZ LUHRMANN, AT  
THE 2002 ACADEMY  
AWARDS, ON *MOULIN  
ROUGE!*





#### FILM GENRES

*Psycho* (1960), a classic horror film, tells the story of Marion Crane (played by Janet Leigh), who flees to a motel after embezzling \$40,000 from her employer. There, she meets the motel owner, Norman Bates (played by Anthony Perkins), and her untimely death. The infamous “shower scene” pictured above is widely considered one of the most iconic horror film sequences.

western, gangster, horror, fantasy/science fiction, musical, and film noir.

Variations of dramas and comedies have long dominated film’s narrative history. A western typically features “good” cowboys battling “evil” bad guys, as in *True Grit* (2010), or resolves tension between the natural forces of the wilderness and the civilizing influence of a town. Romances (such as *The Vow*, 2012) present conflicts that are mediated by the ideal of love. Another popular genre, mystery/suspense (such as *Inception*, 2010), usually casts “the city” as a corrupting place that needs to be overcome by the moral courage of a heroic detective.<sup>7</sup>

Because most Hollywood narratives try to create believable worlds, the artificial style of musicals is sometimes a disruption of what many viewers expect. Musicals’ popularity peaked in the 1940s and 1950s, but they showed a small resurgence in the 2000s with *Moulin Rouge!* (2001), *Chicago* (2002), and *Les Misérables* (2012). Still, no live-action musicals rank among the top fifty highest-grossing films of all time.

Another fascinating genre is the horror film, which also claims none of the top fifty highest-grossing films of all time. In fact, from *Psycho* (1960) to *The Cabin in the Woods* (2012), this lightly regarded genre has earned only one Oscar for best picture: *Silence of the Lambs* (1991). Yet these movies are extremely popular with teenagers, among the largest theatergoing audience, who are in

search of cultural choices distinct from those of their parents. Critics suggest that the teen appeal of horror movies is similar to the allure of gangster rap or heavy-metal music: that is, the horror genre is a cultural form that often carries anti-adult messages or does not appeal to most adults.

The *film noir* genre (French for “black film”) developed in the United States in the late 1920s and hit its peak after World War II. Still, the genre continues to influence movies today. Using low-lighting techniques, few daytime scenes, and bleak urban settings, films in this genre (such as *The Big Sleep*, 1946, and *Sunset Boulevard*, 1950) explore unstable characters and the sinister side of human nature. Although the French critics who first identified noir as a genre place these films in the 1940s, their influence resonates in contemporary films—sometimes called *neo-noir*—including *Se7en* (1995), *L.A. Confidential* (1997), and *Sin City* (2005).

#### Hollywood “Authors”

In commercial filmmaking, the director serves as the main “author” of a film. Sometimes called “auteurs,” successful directors develop a particular cinematic style or an interest in particular topics that differentiates their narratives from those of other directors. Alfred Hitchcock, for instance, redefined the suspense drama through editing techniques that heightened tension (*Rear Window*, 1954; *Vertigo*, 1958; *North by Northwest*, 1959; *Psycho*, 1960).

The contemporary status of directors stems from two breakthrough films: Dennis Hopper’s *Easy Rider* (1969) and George Lucas’s *American Graffiti* (1973), which became surprise box-office hits. Their inexpensive budgets, rock-and-roll soundtracks, and big payoffs created opportunities for a new generation of directors. The success of these films

exposed cracks in the Hollywood system, which was losing money in the late 1960s and early 1970s. Studio executives seemed at a loss to explain and predict the tastes of a new generation of moviegoers. Yet Hopper and Lucas had tapped into the anxieties of the postwar baby-boom generation in its search for self-realization, its longing for an innocent past, and its efforts to cope with the turbulence of the 1960s.

This opened the door for a new wave of directors who were trained in California or New York film schools and were also products of the 1960s, such as Francis Ford Coppola (*The Godfather*, 1972), William Friedkin (*The Exorcist*, 1973), Steven Spielberg (*Jaws*, 1975), Martin Scorsese (*Taxi Driver*, 1976), Brian De Palma (*Carrie*, 1976), and George Lucas (*Star Wars*, 1977). Combining news or documentary techniques and Hollywood narratives, these films demonstrated how mass media borders had become blurred and how movies had become dependent on audiences who were used to television and rock and roll. These films signaled the start of a period that Scorsese has called “the deification of the director.” A handful of successful directors gained the kind of economic clout and celebrity standing that had belonged almost exclusively to top movie stars.

Although the status of directors grew in the 1960s and 1970s, recognition for women directors of Hollywood features remained rare.<sup>8</sup> A breakthrough came with Kathryn Bigelow’s best director Academy Award for *The Hurt Locker* (2009), which also won the best picture award. Prior to Bigelow’s win, only three women had received an Academy Award nomination for directing a feature film: Lina Wertmuller in 1976 for *Seven Beauties*, Jane Campion in 1994 for *The Piano*, and Sofia Coppola in 2004 for *Lost in Translation*. Both Wertmuller and Campion are from outside the United States, where women directors frequently receive more opportunities for film development. Women in the United States often get an opportunity because of their prominent standing as popular actors; Barbra Streisand, Jodie Foster, Penny Marshall, and Sally Field all fall into this category. Other women have come to direct films via their scriptwriting achievements. For example, the late essayist Nora Ephron, who wrote *Silkwood* (1983) and wrote/produced *When Harry Met Sally* (1989), later directed a number of successful films, including *Julie and Julia* (2009). More recently, some women directors like Bigelow, Catherine Hardwicke (*Red Riding Hood*, 2011), Nancy Meyers (*It’s Complicated*, 2009), Lone Scherfig (*One Day*, 2011), Debra Granik (*Winter’s Bone*, 2010), and Kimberly Peirce (*Carrie*, 2012) have moved past debut films and proven themselves as experienced studio auteurs.

Minority groups, including African Americans, Asian Americans, and Native Americans, have also struggled for recognition in Hollywood. Still, some have succeeded as directors, crossing over from careers as actors or gaining notoriety through independent filmmaking. Among the most successful contemporary African American directors are Kasi Lemmons (*Talk to Me*, 2007), Lee Daniels (*The Butler*, 2013), John Singleton (*Four Brothers*, 2005), Tyler Perry (*A Madea Christmas*, 2013), and Spike Lee (*Red Hook Summer*, 2012). (See “Case Study: Breaking through Hollywood’s Race Barrier” on page 252.) Asian Americans M. Night Shyamalan (*After Earth*, 2013), Ang Lee (*Life of Pi*, 2012), Wayne Wang (*Snow Flower and the Secret Fan*, 2011), and documentarian Arthur Dong (*Hollywood Chinese*, 2007) have built immensely accomplished directing careers. Chris Eyre (*A Year in Mooring*, 2011) remains the most noted Native American director, and he works mainly as an independent filmmaker.



**WOMEN DIRECTORS** have long struggled in Hollywood. However, some, like Kathryn Bigelow, are making a name for themselves. Known for her rough-and-tumble style of filmmaking and her penchant for directing action and thriller movies, Bigelow became the first woman director to win the Academy Award for best director for *The Hurt Locker* in 2010. Her *Zero Dark Thirty*, about the hunt for Osama bin Laden, followed in 2012.

**“Every film school in the world has equal numbers of boys and girls—but something happens.”**

JANE CAMPION, FILM DIRECTOR, 2009

# CASE STUDY

## Breaking through Hollywood's Race Barrier

Despite inequities and discrimination, a thriving black cinema existed in New York's Harlem district during the 1930s and 1940s. Usually bankrolled by white business executives who were capitalizing on the black-only theaters fostered by segregation, independent films featuring black casts were supported by African American moviegoers, even during the Depression. But it was a popular Hollywood film, *Imitation of Life* (1934), that emerged as the highest-grossing film in black theaters during the mid-1930s. The film told the story of a friendship between a white woman and a black woman whose young daughter denied her heritage and passed for white, breaking her mother's heart. Despite African Americans' long support of the film industry, their moviegoing experience has not been the same as that of whites. From the late 1800s until the passage of Civil Rights legislation in the mid-1960s, many theater owners discriminated against black patrons. In large cities, blacks often had to attend separate theaters where new movies might not appear until a year or two after white theaters had shown them. In smaller towns and in the South, blacks were often only allowed to patronize local theaters after midnight. In addition, some theater managers required black patrons to sit in less desirable areas of the theater.<sup>1</sup>

Changes took place during and after World War II, however. When the "white flight" from central cities began during the suburbanization of the 1950s,



many downtown and neighborhood theaters began catering to black customers in order to keep from going out of business. By the late 1960s and early 1970s, these theaters had become major venues for popular commercial films, even featuring a few movies about African Americans, including *Guess Who's Coming to Dinner?* (1967), *In the Heat of the Night* (1967), *The Learning Tree* (1969), and *Sounder* (1972).

Based on the popularity of these films, black photographer-turned-filmmaker Gordon Parks, who directed *The Learning Tree* (adapted from his own novel), went on to make commercial action/adventure films, including *Shaft* (1971, remade by John Singleton in 2000).

Popular in urban theaters, especially among black teenagers, the movies produced by Parks and his son—Gordon Parks Jr. (*Super Fly*, 1972)—spawned a number of commercial imitators, labeled *blaxploitation* movies. These films were the subject of heated cultural debates in the 1970s; like some rap songs today, they were both praised for their realistic depictions of black urban life and criticized for glorifying violence. Nevertheless, these films reinvigorated urban movie attendance, reaching an audience that had not been well served by the film industry until the 1960s.

Opportunities for black film directors have expanded since the 1980s and 1990s, although even now there is still debate about what kinds of African American representation should be on the screen. Lee Daniels received only the second Academy Award nomination for a black director for *Precious: Based on the Novel "Push" by Sapphire* in 2009 (the first was John Singleton, for *Boyz n the Hood* in 1991). *Precious*, about an obese, illiterate black teenage girl subjected to severe sexual and emotional abuse, was praised by many critics but decried by others who interpreted it as more blaxploitation or "poverty porn." Sapphire, the author of *Push*, the novel that inspired the film, defended the story. "With Michelle, Sasha and Malia and Obama in the White House and in the post-'Cosby Show' era, people can't say these are the only images out there," she said.<sup>2</sup> ▲



## Outside the Hollywood System

Since the rise of the studio system, the Hollywood film industry has focused on feature-length movies that command popular attention and earn the most money. However, the movie industry also has a long tradition of films made outside of the Hollywood studio system. In the following sections, we look at three alternatives to Hollywood: international films, documentaries, and independent films.

### Global Cinema

For generations, Hollywood has dominated the global movie scene. In many countries, American films capture up to 90 percent of the market. In striking contrast, foreign films constitute only a tiny fraction—less than 2 percent—of motion pictures seen in the United States today. Despite Hollywood’s domination of global film distribution, other countries have a rich history in producing both successful and provocative short-subject and feature films. For example, cinematic movements of the twentieth century such as German expressionism (capturing psychological moods), Soviet social realism (presenting a positive view of Soviet life), Italian neorealism (focusing on the everyday lives of Italians), European new-wave cinema (experimenting with the language of film), and post-World War II Japanese, Hong Kong, Korean, Australian, Canadian, and British cinema have all been extremely influential, demonstrating alternatives to the Hollywood approach.

Early on, Americans showed interest in British and French short films and in experimental films such as Germany’s *The Cabinet of Dr. Caligari* (1919). Foreign-language movies did reasonably well throughout the 1920s, especially in ethnic neighborhood theaters in large American cities. For a time, Hollywood studios even dubbed some popular American movies into Spanish, Italian, French, and German for these theaters. But the Depression brought cutbacks, and by the 1930s the daughters and sons of turn-of-the-century immigrants—many of whom were trying to assimilate into mainstream American culture—preferred their Hollywood movies in English.<sup>9</sup>

Postwar prosperity, rising globalism, and the gradual decline of the studios’ hold over theater exhibition in the 1950s and 1960s stimulated the rise of art-house theaters and saw a rebirth of interest in foreign-language films by such prominent directors as Sweden’s Ingmar Bergman (*Wild Strawberries*, 1957), Italy’s Federico Fellini (*La Dolce Vita*, 1960), France’s François Truffaut (*Jules and Jim*, 1961), Japan’s Akira Kurosawa (*Seven Samurai*, 1954), and India’s Satyajit Ray (*Apu Trilogy*, 1955–59). Catering to academic audiences, art houses made a statement against Hollywood commercialism as they sought to show alternative movies.

By the late 1970s, though, the home-video market had emerged, and audiences began staying home to watch both foreign and domestic films. New multiplex theater owners rejected the smaller profit margins of most foreign titles, which lacked the promotional hype of U.S. films. As a result, between 1966 and 1990 the number of foreign films released annually in the United States dropped by two-thirds, from nearly three hundred to about one hundred titles per year.

With the growth of superstore video chains like Blockbuster in the 1990s and online video services like Netflix in the 2000s, viewers gained access to a larger selection of foreign-language titles.



**“Growing up in this country, the rich culture I saw in my neighborhood, in my family—I didn’t see that on television or on the movie screen. It was always my ambition that if I was successful I would try to portray a truthful portrait of African Americans in this country, negative and positive.”**

SPIKE LEE,  
FILMMAKER, 1996

### FOREIGN FILMS

China restricts the number of imported films shown and regulates the lengths of their runs in order to protect its own domestic film industry. Nonetheless, China has become a lucrative market—for both U.S. films and its own features like *Journey to the West: Conquering the Demons*. This comedic reinterpretation of a classic Chinese novel became one of China’s highest-ever grossers in 2013.

**“Bollywood has an estimated annual worldwide audience of 3.6 billion.”**

ANUPAMA CHOPRA,  
NEW YORK TIMES,  
2008

The successes of *Life Is Beautiful* (Italy, 1997), *Amélie* (France, 2001), and *The Girl with the Dragon Tattoo* (Sweden, 2009) illustrate that U.S. audiences are willing to watch subtitled films with non-Hollywood perspectives. However, foreign films are losing ground as they compete with the expanding independent American film market for screen space.

Today, the largest film industry is in India, out of “Bollywood” (a play on words combining city names Bombay—now Mumbai—and Hollywood), where a thousand films a year are produced—mostly romance or adventure musicals in a distinct style.<sup>10</sup> In comparison, Hollywood movie-makers release five hundred to six hundred films a year. (For a broader perspective, see “Global Village: Beyond Hollywood: Asian Cinema” on page 255.)

### The Documentary Tradition

Both TV news and nonfiction films trace their roots to the movie industry’s *interest films* and *newsreels* of the late 1890s. In Britain, interest films compiled footage of regional wars, political leaders, industrial workers, and agricultural scenes and were screened with fiction shorts. Pioneered in France and England, newsreels consisted of weekly ten-minute magazine-style compilations of filmed news events from around the world. International news services began supplying theaters and movie studios with newsreels, and by 1911 they had become a regular part of the moviegoing menu.

Early filmmakers also produced *travelogues*, which recorded daily life in various communities around the world. Travel films reached a new status in Robert Flaherty’s classic *Nanook of the North* (1922), which tracked an Inuit family in the harsh Hudson Bay region of Canada. Flaherty edited his fifty-five-minute film to both tell and interpret the story of his subject. Flaherty’s second film, *Moana* (1925), a study of the lush South Pacific islands, inspired the term **documentary** in a 1926 film review by John Grierson, a Scottish film producer. Grierson defined Flaherty’s work and the documentary form as “the creative treatment of actuality,” or a genre that interprets reality by recording real people and settings.

Over time, the documentary developed an identity apart from its commercial presentation. As an educational, noncommercial form, the documentary usually required the backing of industry, government, or philanthropy to cover costs. In support of a clear alternative to Hollywood cinema, some nations began creating special units, such as Canada’s National Film Board, to sponsor documentaries. In the United States, art and film received considerable support from the Roosevelt administration during the Depression.

By the late 1950s and early 1960s, the development of portable cameras had led to **cinema vérité** (a French term for “truth film”). This documentary style allowed filmmakers to go

where cameras could not go before and record fragments of everyday life more unobtrusively. Directly opposed to packaged, high-gloss Hollywood features, vérité aimed to track reality, employing a rough, grainy look and shaky, handheld camera work. Among the key innovators in cinema vérité were Drew and Associates, led by Robert Drew, a former *Life* magazine photographer. Through his connection to Time Inc. (which owned *Life*) and its chain of TV stations, Drew shot the groundbreaking documentary *Primary*, which followed the 1960 Democratic presidential primary race between Hubert Humphrey and John F. Kennedy.

### DOCUMENTARY FILMS

*Catfish*, a documentary released in 2010, follows a young man as he enters an online relationship with a woman and then attempts to track her down in real life. The movie was a modest box office success but took on a greater life of its own when the filmmakers brought *Catfish: The TV Show*, a weekly investigation of online relationships, to MTV. The authenticity of some situations in both the film and TV show has been questioned, but that hasn’t stopped viewers from tuning in.



## Beyond Hollywood: Asian Cinema

**A**sian nations easily outstrip Hollywood in quantity of films produced. India alone produces about a thousand movies a year. But from India to South Korea, Asian films are increasingly challenging Hollywood in terms of quality, and they have become more influential as Asian directors, actors, and film styles are exported to Hollywood and the world.

### India

Part musical, part action, part romance, and part suspense, the epic films of Bollywood typically have fantastic sets, hordes of extras, plenty of wet saris, and symbolic fountain bursts (as a substitute for kissing and sex, which are prohibited from being shown). Indian movie fans pay from 75 cents to \$5 to see these films, and they feel short-changed if they are shorter than three hours. With many films produced in less than a week, however, most of the Bollywood fare is cheaply produced and badly acted. But these production aesthetics are changing, as bigger-budget releases target middle and upper classes in India, the twenty-five million Indians living abroad, and Western audiences.

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**Bollywood Star** Aishwarya Rai stars in 2008's *Jodhaa Akbar*.



*Jab Tak Hai Jaan* (2012), a romance starring Shahrukh Khan, India's most famous leading man, had the most successful U.S. box office opening of any Bollywood film. The film was released just weeks after the death of Yash Chopra, its award-winning director.

### China

Since the late 1980s, Chinese cinema has developed an international reputation. Leading this generation of directors are Zhang Yimou (*House of Flying Daggers*, 2004; *The Flowers of War*, 2011) and Kaige Chen (*Farewell My Concubine*, 1993; *Caught in the Web*, 2012), whose work has spanned genres such as historical epics, love stories, contemporary tales of city life, and action fantasy. These directors have also helped to make international stars out of Gong Li (*Memoirs of a Geisha*, 2005; *What Women Want*, 2011) and Ziyi Zhang (*Memoirs of a Geisha*, 2005; *Dangerous Liaisons*, 2012).

### Hong Kong

Hong Kong films were the most talked-about—and the most influential—film genre in cinema throughout the late 1980s and 1990s. The style of highly choreographed action with often breathtaking, balletlike violence became hugely popular around the world, reaching American audiences and in some cases even outselling Hollywood blockbusters. Hong Kong directors like John Woo, Ringo Lam, and Jackie Chan (who also acts in his movies) have directed Hollywood action films; and Hong Kong stars like Jet Li (*Lethal Weapon 4*, 1998; *The Forbidden Kingdom*, 2008; *The Expendables 2*, 2012), Chow Yun-Fat (*The Replacement Killers*, 1998; *Shanghai*, 2010), and Malaysia's Michelle Yeoh (*Memoirs of a Geisha*, 2005; *The Lady*, 2011) are landing leading roles in American movies.

### Japan

Americans may be most familiar with low-budget monster movies like *Godzilla*, but the widely heralded films of the late director Akira Kurosawa have had an even greater impact: His *Seven Samurai* (1954) was remade by Hollywood as *The Magnificent Seven* (1960), and *The Hidden Fortress* (1958) was George Lucas's inspiration for *Star Wars*. Current forces in Japanese cinema include Hayao Miyazaki (*The Wind Rises*, 2013; *Ponyo*, 2009), the country's top director of anime movies. Japanese thrillers like *Ringu* (1998), *Ringu 2* (1999), and *Ju-on: The Grudge* (2003) were remade into successful American horror films. Another Hollywood sequel to the *Ringu* franchise, tentatively titled *The Ring 3D*, is in development.

### South Korea

The end of military regimes in the late 1980s and corporate investment in the film business in the 1990s created a new era in Korean moviemaking. Leading directors include Kim Jee-woon (*Doomsday Book*, 2012); Lee Chang-dong (nominated for the Palme d'Or award at Cannes for *Poetry*, 2010); and Chan-wook Park, whose *Revenge Trilogy* films (*Sympathy for Mr. Vengeance*, 2002; *Old Boy*, 2003; and *Lady Vengeance*, 2005) have won international acclaim, including the Grand Prix at Cannes in 2004 for *Old Boy*. Korean films are hot properties in Hollywood, as major U.S. studios have bought the rights to a number of hits. Korean directors are working in Hollywood, too. Chan-wook Park's U.S. directing debut came with *Stoker* (2013), starring Nicole Kidman and Mia Wasikowska, while Kim Jee-woon directed *The Last Stand* (2013), starring Arnold Schwarzenegger. ▲



**“My stuff always starts with interviews. I start interviewing people, and then slowly but surely, a movie insinuates itself.”**

ERROL MORRIS,  
DOCUMENTARY  
FILMMAKER, 2008

#### INDEPENDENT FILM FESTIVALS

like the Sundance Film Festival, are widely recognized in the film industry as a major place to discover new talent and acquire independently made films on topics that might otherwise be too controversial, too niche, or too original for a major studio-backed picture. One of the breakout hits of Sundance 2012, *Beasts of the Southern Wild*, is a magical realist drama about a little girl (played by newcomer Quvenzhané Wallis) who lives in a bayou outside New Orleans and faces a hurricane, as well as mythical creatures. Fox Searchlight acquired distribution rights, releasing it to great acclaim and strong limited-release box office grosses that summer.

Perhaps the major contribution of documentaries has been their willingness to tackle controversial or unpopular subject matter. For example, American documentary filmmaker Michael Moore often addresses complex topics that target corporations or the government. His films include *Roger and Me* (1989), a comic and controversial look at the relationship between the city of Flint, Michigan, and General Motors; the Oscar-winning *Bowling for Columbine* (2002), which explored gun violence; *Fahrenheit 9/11* (2004), a critique of the Bush administration’s Middle East policies; *Sicko* (2007), an investigation of the U.S. health-care system; and *Capitalism: A Love Story* (2009), about corporate culture in the United States. Moore’s recent films were part of a resurgence in high-profile documentary filmmaking in the United States, which included *The Fog of War* (2003), *Super Size Me* (2004), *An Inconvenient Truth* (2006), *The Cove* (2009), *Waiting for Superman* (2010), and *Bully* (2012).

#### The Rise of Independent Films

The success of documentary films like *Super Size Me* and *Fahrenheit 9/11* dovetails with the rise of **indies**, or independently produced films. As opposed to directors working in the Hollywood system, independent filmmakers typically operate on a shoestring budget and show their movies in thousands of campus auditoriums and at hundreds of small film festivals. The decreasing costs of portable technology, including smaller digital cameras and computer editing, have kept many documentary and independent filmmakers in business. They make movies inexpensively, relying on real-life situations, stage actors and nonactors, crews made up of friends and students, and local nonstudio settings. Successful independents like Kevin Smith (*Clerks*, 1994; *Cop Out*, 2010), Darren Aronofsky (*The Fountain*, 2006; *The Wrestler*, 2008; *Black Swan*, 2010), and Sofia Coppola (*Lost in Translation*, 2003; *The Bling Ring*, 2013) continue to find substantial audiences in college and art-house theaters and through online DVD services like Netflix, which promote work produced outside the studio system.

The rise of independent film festivals in the 1990s—especially the Sundance Film Festival held every January in Park City, Utah—helped Hollywood rediscover low-cost independent films as an alternative to traditional movies with *Titanic*-size budgets. Films such as *Little Miss Sunshine* (2006), *500 Days of Summer* (2009), *Our Idiot Brother* (2011), and *Beasts of the Southern Wild* (2012) were able to generate industry buzz and garner major studio distribution deals through Sundance screenings, becoming star vehicles for several directors and actors. As with the recording industry, the major studios see these festivals—which also include New York’s Tribeca Film Festival, the South by Southwest festival in Austin, and international film festivals in Toronto and Cannes—as important venues for discovering new talent. Some major studios even purchased successful independent film companies (Disney’s purchase of Miramax) or have developed in-house indie divisions (Sony’s Sony

Pictures Classics) to specifically handle the development and distribution of indies.

But by 2010, the independent film business as a feeder system for major studios was declining due to the poor economy and studios’ waning interest in smaller, specialty films. Disney sold Miramax for \$660 million to an investor group comprised of Hollywood outsiders. Viacom folded its independent unit, Paramount Vantage, into its main studio; and Time Warner closed its Warner Independent and Picturehouse in-house indie divisions. Meanwhile, producers of low-budget independent films increasingly looked to alternative digital distribution models, such as Internet downloads, direct DVD sales, and on-demand screenings via cable and services like Netflix.



## The Transformation of the Studio System

After years of thriving, the Hollywood movie industry began to falter after 1946. Weekly movie attendance in the United States peaked at ninety million in 1946, then fell to under twenty-five million by 1963. Critics and observers began talking about the death of Hollywood, claiming that the Golden Age was over. However, the movie industry adapted and survived, just as it continues to do today. Among the changing conditions facing the film industry were the communist witch-hunts in Hollywood, the end of the industry's vertical integration, suburbanization, the arrival of television, and the appearance of home entertainment.

### The Hollywood Ten

In 1947, in the wake of the unfolding Cold War with the Soviet Union, conservative members of Congress began investigating Hollywood for alleged subversive and communist ties. That year, aggressive witch-hunts for political radicals in the film industry by the House Un-American Activities Committee (HUAC) led to the famous **Hollywood Ten** hearings and subsequent trial. (HUAC included future president Richard M. Nixon, then a congressman from California.)

During the investigations, HUAC coerced prominent people from the film industry to declare their patriotism and to give up the names of colleagues suspected of having politically unfriendly tendencies. Upset over labor union strikes and outspoken writers, many film executives were eager to testify and provide names. For instance, Jack L. Warner of Warner Brothers suggested that whenever film writers made fun of the wealthy or America's political system in their work, or if their movies were sympathetic to "Indians and the colored folks,"<sup>11</sup> they were engaging in communist propaganda. In addition, film producer Sam Wood, who had directed Marx Brothers comedies in the mid-1930s, testified that communist writers could be spotted because they portrayed bankers and senators as villainous characters. Other "friendly" HUAC witnesses included actors Gary Cooper and Ronald Reagan, director Elia Kazan, and producer Walt Disney. Whether they believed it was their patriotic duty or they feared losing their jobs, many prominent actors, directors, and other film executives also "named names."

Eventually, HUAC subpoenaed ten unwilling witnesses who were questioned about their memberships in various organizations. The so-called Hollywood Ten—nine screenwriters and one director—refused to discuss their memberships or to identify communist sympathizers. Charged with contempt of Congress in November 1947, they were eventually sent to prison. Although jailing the Hollywood Ten clearly violated their free-speech rights, in the atmosphere of the Cold War many people worried that "the American way" could be sabotaged via unpatriotic messages planted in films. Upon release from jail, the Hollywood Ten found themselves

"After the success of *The Blair Witch Project* . . . it seemed that anyone with a dream, a camera and an Internet account could get a film made—or, at least, market it cheaply once it was made."

ABBY ELLIN,  
NEW YORK TIMES,  
2000

#### THE HOLLYWOOD TEN

While many studio heads, producers, and actors "named names" to HUAC, others, such as the group shown below, held protests to demand the release of the Hollywood Ten.



blacklisted, or boycotted, by the major studios, and their careers in the film industry were all but ruined. The national fervor over communism continued to plague Hollywood well into the 1950s.

## The Paramount Decision

Coinciding with the HUAC investigations, the government also increased its scrutiny of the movie industry's aggressive business practices. By the mid-1940s, the Justice Department demanded that the five major film companies—Paramount, Warner Brothers, Twentieth Century Fox, MGM, and RKO—end vertical integration, which involved the simultaneous control over production, distribution, and exhibition. In 1948, after a series of court appeals, the Supreme Court ruled against the film industry in what is commonly known as the **Paramount decision**, forcing the studios to gradually divest themselves of their theaters.

Although the government had hoped to increase competition, the Paramount case never really changed the oligopoly structure of the Hollywood film industry because it failed to challenge the industry's control over distribution. However, the 1948 decision did create opportunities in the exhibition part of the industry for those outside of Hollywood. In addition to art houses showing documentaries or foreign films, thousands of drive-in theaters sprang up in farmers' fields, welcoming new suburbanites who embraced the automobile. Although drive-ins had been around since the 1930s, by the end of the 1950s more than four thousand existed. The Paramount decision encouraged new indoor theater openings as well, but the major studios continued to dominate distribution. By producing the most polished and popular films, they still influenced consumer demand and orchestrated where the movies would play.

## Moving to the Suburbs

Common sense might suggest that television alone precipitated the decline in post-World War II movie attendance, but the most dramatic drop actually occurred in the late 1940s—before most Americans even owned TV sets.<sup>12</sup>

### MOVIES TAKE ON SOCIAL ISSUES

*Rebel without a Cause* (1955), starring James Dean and Natalie Wood, was marketed in movie posters as "Warner Bros. Challenging Drama of Today's Teenage Violence!" James Dean's memorable portrayal of a troubled youth forever fixed his place in movie history. He was killed in a car crash a month before the movie opened.





The transformation from a wartime economy and a surge in consumer production had a significant impact on moviegoing. With industries turning from armaments to appliances, Americans started cashing in their wartime savings bonds for household goods and new cars. Discretionary income that formerly went to buying movie tickets now went to acquiring consumer products, and the biggest product of all was a new house in the suburbs—far from the downtown movie theaters. Relying on government help through Veterans Administration loans, people left the cities in record numbers to buy affordable houses in suburban areas where tax bases were lower. Home ownership in the United States doubled between 1945 and 1950, while the moviegoing public decreased just as quickly. According to census data, new home purchases, which had held steady at about 100,000 a year since the late 1920s, leaped to more than 930,000 in 1946 and peaked at 1,700,000 in 1950.

Additionally, after the war the average age for couples entering marriage dropped from twenty-four to nineteen. Unlike their parents, many postwar couples had their first child before they turned twenty-one. The combination of social and economic changes meant there were significantly fewer couples dating at the movies. Then, when television exploded in the late 1950s, there was even less discretionary income—and less reason to go to the movies.

## Television Changes Hollywood

In the late 1940s, radio's popularity had a strong impact on film. Not only were 1948 and 1949 high points in radio listenership, but with the mass migration to the suburbs, radio offered Americans an inexpensive entertainment alternative to the movies (as it had during the Great Depression). As a result, many people stayed home and listened to radio programs until TV displaced both radio and movies as the medium of national entertainment in the mid-1950s. The movie industry responded in a variety of ways.

First, with growing legions of people gathering around their living-room TV sets, movie content slowly shifted toward more serious subjects. At first, this shift was a response to the war and an acknowledgment of life's complexity, but later movies focused on subject matter that television did not encourage. This shift began with film noir in the 1940s but continued into the 1950s, as commercial movies, for the first time, explored larger social problems such as alcoholism (*The Lost Weekend*, 1945), anti-Semitism (*Gentleman's Agreement*, 1947), mental illness (*The Snake Pit*, 1948), racism (*Pinky*, 1949), adult-teen relationships (*Rebel without a Cause*, 1955), drug abuse (*The Man with the Golden Arm*, 1955), and—perhaps most controversial—sexuality (*Peyton Place*, 1957; *Butterfield 8*, 1960; and *Lolita*, 1962).

These and other films challenged the authority of the industry's own prohibitive Motion Picture Production Code. Hollywood adopted the Code in the early 1930s to restrict film depictions of violence, crime, drug use, and sexual behavior and to quiet public and political concerns that the movie business was lowering the moral standards of America. (For more on the Code, see Chapter 16.) In 1967, after the Code had been ignored by producers for several years, the Motion Picture Association of America initiated the current ratings system, which rated films for age appropriateness rather than censoring all adult content.

Second, just as radio worked to improve sound to maintain an advantage over television in the 1950s, the film industry introduced a host of technological improvements to lure Americans away from their TV sets. Technicolor, invented by an MIT scientist in 1917, had improved and was used in movies more often to draw people away from their black-and-white TVs. In addition, Cinerama, CinemaScope, and VistaVision all arrived in movie theaters, featuring striking wide-screen images, multiple synchronized projectors, and stereophonic sound. Then 3-D (three-dimensional) movies appeared, although they wore off quickly as a novelty. Finally, Panavision, which used special Eastman color film and camera lenses that decreased the fuzziness of images, became the wide-screen standard throughout the industry. These developments, however, generally failed to address the movies' primary problem: the middle-class flight to the suburbs, away from downtown theaters.

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**“So TV did not kill Hollywood. In the great Hollywood whodunit there is, after all, not even a corpse. The film industry never died. Only where we enjoy its latest products has changed, forever.”**

DOUGLAS GOMERY,  
WILSON QUARTERLY,  
1991

## Hollywood Adapts to Home Entertainment

Just as nickelodeons, movie palaces, and drive-ins transformed movie exhibition in earlier times, the introduction of cable television and the videocassette in the 1970s transformed contemporary movie exhibition. Despite advances in movie exhibition, most people prefer the convenience of watching movies at home. In fact, about 30 percent of domestic revenue for Hollywood studios comes from DVD/Blu-ray rentals and sales as well as Internet downloads and streaming, leaving domestic box-office receipts accounting for just 20 percent of total film revenue.

Although the video market became a financial bonanza for the movie industry, Hollywood ironically tried to stall the arrival of the VCR in the 1970s—even filing lawsuits to prohibit customers from copying movies from television. The 1997 introduction of the DVD helped reinvigorate the flat sales of the home video market as people began to acquire new movie collections on DVD. Today, home movie exhibition is again in transition, this time from DVD to Internet video. As DVD sales began to decline, Hollywood endorsed the high-definition format Blu-ray in 2008 to revive sales, but the format hasn't grown quickly enough to help the video store business.

The biggest chain, Blockbuster, filed for bankruptcy in 2010, closed hundreds of stores, and was auctioned to the DISH Network in 2011, while the Movie Gallery/Hollywood Video chain shuttered all of its stores. The only bright spot in DVD rentals has been at the low end of the market—automated kiosks like Redbox and Blockbuster Express that rent movies for \$1.20 to \$2.00 a day. Online rental company Netflix became a success by delivering DVDs by mail to its subscribers. But the future of the video rental business is in Internet distribution. Movie fans can also download or stream movies and television shows from services like Netflix, Amazon, Hulu, Google, and the iTunes store to their television sets through devices like Roku, AppleTV, TiVo Premiere, videogame consoles, and Internet-ready TVs. As people invest in wide-screen TVs (including 3-D televisions) and sophisticated sound systems, home entertainment is getting bigger and keeping pace with the movie theater experience. Interestingly, home entertainment is also getting smaller—movies are increasingly available to stream and download on portable devices like tablets, laptop computers, and smartphones.

“(Blu-ray is) the last hardware. . . . There won't be any other hardware now. It's gonna be on a digital phone, it's gonna be on a computer or TV screen.”

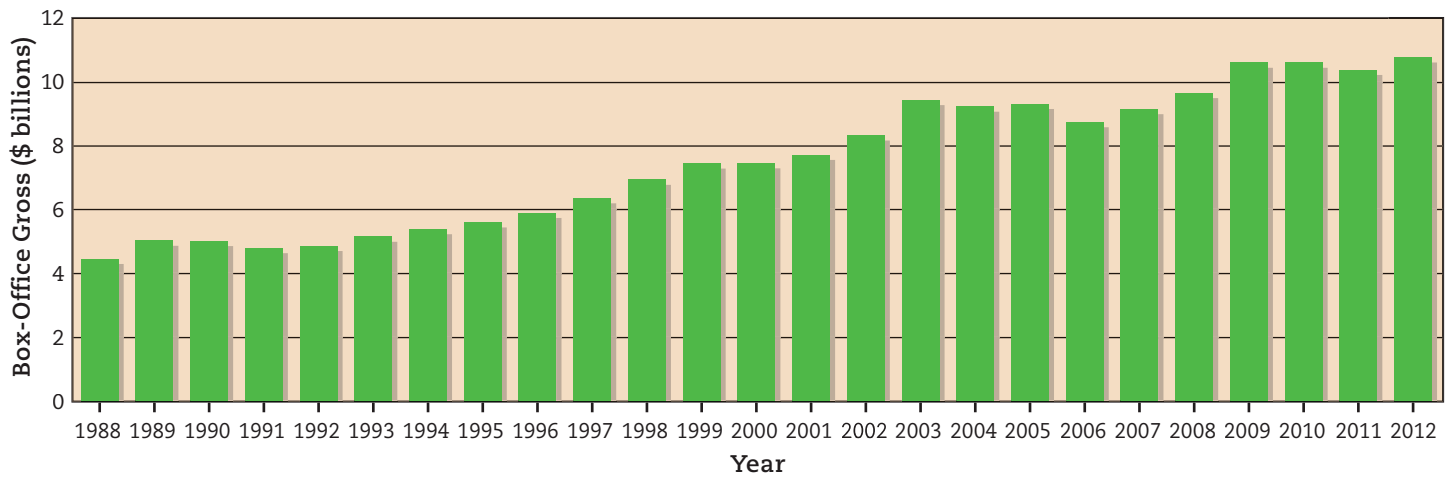
OLIVER STONE,  
DIRECTOR, 2011

## The Economics of the Movie Business

Despite the development of network and cable television, video-on-demand, DVDs, and Internet downloads and streaming, the movie business has continued to thrive. In fact, since 1963 Americans have purchased roughly 1 billion movie tickets each year; in 2011, 1.28 billion tickets were sold.<sup>13</sup> With first-run movie tickets in some areas rising to more than \$13 (and 3-D movies costing even more), gross revenues from domestic box-office sales have climbed to \$10.8 billion, up from \$3.8 billion annually in the mid-1980s (see Figure 7.1). In addition, home video, which includes domestic DVD and Blu-ray disc rentals and sales and digital streaming and downloads, produced another \$18 billion a year, substantially more than box-office receipts. (Digital sales accounted for \$3.4 billion of the home video total in 2011.<sup>14</sup>) In order to continually flourish, the movie industry revamped its production, distribution, and exhibition system and consolidated its ownership.

## Production, Distribution, and Exhibition Today

In the 1970s, attendance by young moviegoers at new suburban multiplex theaters made mega-hits of *The Godfather* (1972), *The Exorcist* (1973), *Jaws* (1975), *Rocky* (1976), and *Star Wars* (1977). During this period, *Jaws* and *Star Wars* became the first movies to gross more than \$100 million



▲  
**FIGURE 7.1**  
**GROSS REVENUES FROM BOX-OFFICE SALES, 1988-2012**  
 Source: Motion Picture Association of America, "Theatrical Market Statistics, 2012, U.S./Canada," <http://www.mpa.org>.

at the U.S. box office in a single year. In trying to copy the success of these blockbuster hits, the major studios set in place economic strategies for future decades. (See “Media Literacy and the Critical Process: The Blockbuster Mentality” on page 263.)

### Making Money on Movies Today

With 80 to 90 percent of newly released movies failing to make money at the domestic box office, studios need a couple of major hits each year to offset losses on other films. (See Table 7.1 on page 262 for a list of the highest-grossing films of all time.) The potential losses are great: Over the past decade, a major studio film, on average, cost about \$66 million to produce and about \$37 million for domestic marketing, advertising, and print costs.<sup>15</sup>

With climbing film costs, creating revenue from a movie is a formidable task. Studios make money on movies from six major sources: First, the studios get a portion of the theater box-office revenue—about 40 percent of the box-office take (the theaters get the rest). Overall, box-office receipts provide studios with approximately 20 percent of a movie’s domestic revenue. More recently, studios have found that they often can reel in bigger box-office receipts for 3-D films and their higher ticket prices. For example, admission to the 2-D version of a film costs \$14 at a New York City multiplex, while the 3-D version costs \$18 at the same theater. In 2012, nearly half of all moviegoers—and nearly one-third of the general population—attended a 3-D film. As Hollywood makes more 3-D films (the latest form of product differentiation), the challenge for major studios has been to increase the number of digital 3-D screens across the country. By 2013, about 30 percent of theater screens were digital 3-D.

Second, about four months after the theatrical release come the DVD sales and rentals, and digital downloads and streaming. This “window” accounts for about 30 percent of all domestic-film income for major studios, and has been declining since 2004 as DVD sales falter. Discount rental kiosk companies like Redbox must wait twenty-eight days after DVDs go on sale before they can rent them, and Netflix has entered into a similar agreement with movie studios in exchange for more video streaming content—a concession to Hollywood’s preference for the greater profits in selling DVDs rather than renting them. A small percentage of this market includes “direct-to-DVD” films, which don’t have a theatrical release.

Third are the next “windows” of release for a film: pay-per-view, premium cable (such as HBO), then network and basic cable, and, finally, the syndicated TV market. The price these cable and television outlets pay to the studios is negotiated on a film-by-film basis, although digital services like Netflix and premium channels also negotiate agreements with studios to gain access to a library of films. The cable window has traditionally begun with the DVD release window, but DirecTV threatened that system in 2011 by offering Hollywood films on demand

■  
**“Google, Inc. says searches for a film’s title two weeks ahead of opening can predict box office with 92 percent accuracy.”**  
 ASSOCIATED PRESS, 2013



TABLE 7.1

**THE TOP 10 ALL-TIME BOX-OFFICE CHAMPIONS\***

Source: "All-Time Domestic Blockbusters," November 12, 2013, <http://www.boxofficeguru.com/blockbusters.htm>.

\*Most rankings of the Top 10 most popular films are based on American box-office receipts. If these were adjusted for inflation, *Gone with the Wind* (1939) would become No. 2 in U.S. theater revenue.

\*\*Gross is shown in absolute dollars based on box-office sales in the United States and Canada.

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

**BLOCKBUSTERS** like *The Avengers* (2012) are sought after despite large budgets—because they can potentially bring in twice their cost in box office sales, DVD and Blu-ray discs, merchandising, and, studios hope, sequels that generate more of the same. *The Avengers*, an all-star teaming of Marvel superheroes who had previously starred in their own blockbusters, set a new opening weekend record (\$207.4 million) before going on to gross over \$620 million in the United States and over \$1.5 billion worldwide.

just thirty to sixty days after their theatrical release. This shortening of the box-office window upset movie theater owners and many film directors.

Fourth, studios earn revenue from distributing films in foreign markets. In fact, at \$23.9 billion in 2012, international box-office gross revenues are more than double the U.S. and Canadian box-office receipts, and they continue to climb annually, even as other countries produce more of their own films.

Fifth, studios make money by distributing the work of independent producers and filmmakers, who hire the studios to gain wider circulation. Independents pay the studios between 30 and 50 percent of the box-office and video rental money they make from movies.

Sixth, revenue is earned from merchandise licensing and *product placements* in movies. In the early days of television and film, characters generally used generic products, or product labels weren't highlighted in shots. For example, Bette Davis's and Humphrey Bogart's cigarette packs were rarely seen in their movies. But with soaring film production costs, product placements are adding extra revenues while lending an element of authenticity to the staging. Famous product placements in movies include Reese's Pieces in *E.T.: The Extra-Terrestrial* (1982), Pepsi-Cola in *Back to the Future II* (1989), and Warby Parker eyeglasses in *Man of Steel* (2013).

### Theater Chains Consolidate Exhibition

Film exhibition is now controlled by a handful of theater chains; the leading seven companies operate more than 50 percent of U.S. screens. The major chains—Regal Cinemas, AMC Entertainment, Cinemark USA, Carmike Cinemas, Cinplex Entertainment, Rave Motion Pictures, and Marcus Theatres—own thousands of screens each in suburban malls and at highway crossroads, and most have expanded into international markets as well. Because distributors require access to movie screens, they do business



## Media Literacy and the Critical Process

**1 DESCRIPTION.** Consider a list of the Top 25 all-time highest-grossing movies in the United States, such as the one on Box Office Guru, <http://boxofficeguru.com/blockbusters.htm>

**2 ANALYSIS.** Note patterns in the list. For example, of these twenty-five top-grossing films, twenty-four target young audiences (*The Passion of the Christ* is the only exception). Nearly all of these top-grossing films feature animated or digitally composited characters (e.g., *The Lion King*; *Shrek*; *Jurassic Park*) or extensive special effects (*Transformers*; *The Avengers*). Nearly all of the films also either spawned or are a part of a series, like *The Lord of the Rings*, *Transformers*, *The Dark Knight*, and Harry Potter. More than half of the films fit into the action movie genre. Nearly all of the Top 25 had intense merchandising campaigns that featured action figures, fast-food tie-ins, and an incredible variety of products for sale; that is, nearly all weren't "surprise" hits.

### The Blockbuster Mentality

In the beginning of this chapter, we noted Hollywood's shift toward a blockbuster mentality after the success of films like *Star Wars*. How pervasive is this blockbuster mentality, which targets an audience of young adults, releases action-packed big-budget films featuring heavy merchandising tie-ins, and produces sequels?

**3 INTERPRETATION.** What do the patterns mean? It's clear, economically, why Hollywood likes to have successful blockbuster movie franchises. But what kinds of films get left out of the mix? Hits like *Forrest Gump* (now bumped out of the Top 25), which may have had big-budget releases but lack some of the other attributes of blockbusters, are clearly anomalies of the blockbuster mentality, although they illustrate that strong characters and compelling stories can carry a film to great commercial success.

**4 EVALUATION.** It is likely that we will continue to see an increase in youth-oriented, animated/action movie franchises that are heavily merchandised and intended for wide international distribution. Indeed, Hollywood does not have a lot of motivation to

put out other kinds of movies that don't fit these categories. Is this a good thing? Can you think of a film that you thought was excellent and that would have likely been a bigger hit with better promotion and wider distribution?

**5 ENGAGEMENT.** Watch independent and foreign films and see what you're missing. Visit [foreignfilms.com](http://foreignfilms.com), the independent film section at [imdb.com](http://imdb.com), or the Sundance Film Festival site and browse through the many films listed. Find these films on Netflix, Amazon, Google, or iTunes (and let them know if they don't list them). Write your cable company and request to have the Sundance Channel and the Independent Film Channel on your cable lineup. Organize an independent film night on your college campus and bring these films to a crowd.

with chains that control the most screens. In a multiplex, an exhibitor can project a potential hit on two or three screens at the same time; films that do not debut well are relegated to the smallest theaters or bumped quickly for a new release.

The strategy of the leading theater chains during the 1990s was to build more **megaplexes** (facilities with fourteen or more screens), but with upscale concession services and luxurious screening rooms with stadium-style seating and digital sound to make moviegoing a special event. Even with record box-office revenues, the major movie theater chains entered the 2000s in miserable financial shape. After several years of fast-paced building and renovations, the major chains had built an excess of screens and had accrued enormous debt. But to further combat the home theater market, movie theater chains added IMAX screens and digital projectors so that they could exhibit specially mastered and (with a nod to the 1950s) 3-D blockbusters.<sup>16</sup> By 2011, the movie exhibition business had grown to a record number (39,580) of indoor screens.

Still, theater chains sought to be less reliant on Hollywood's product, and with new digital projectors they began to screen nonmovie events, including live sporting events, rock concerts, and classic TV show marathons. One of the most successful theater events is the live HD simulcast of the New York Metropolitan Opera's performances, which began in 2007 and during its 2013-14 season screened ten operas in more than 1,900 locations in sixty-four countries worldwide.



## The Major Studio Players

The current Hollywood commercial film business is ruled primarily by six companies: Warner Brothers, Paramount, Twentieth Century Fox, Universal, Columbia Pictures, and Disney—the Big Six. Except for Disney, all these companies are owned by large parent conglomerates (see Figure 7.2). The six major studios account for more than 90 percent of the revenue generated by commercial films. They also control more than half the movie market in Europe and Asia. One independent studio, DreamWorks SKG—created in 1994 by Steven Spielberg, former Disney executive Jeffrey Katzenberg, and sound recording tycoon David Geffen—began to rival the production capabilities of the majors with films like *Shrek 2* (2004), *Anchorman* (2004), and *Madagascar* (2005). Nevertheless, even DreamWorks could not sustain the high costs of an independent studio, and in 2009 it struck a six-year distribution deal with Disney. In the United States, three independent studios—sometimes called mini-majors—have maintained modest market share for a number of years: Lionsgate (*The Hunger Games*; the *Twilight* series), which purchased indie Summit Entertainment in 2012; the Weinstein Company (*Django Unchained* and *Silver Linings Playbook*); and Relativity (*Safe Haven*).

In the 1980s, to offset losses resulting from box-office failures, the movie industry began to diversify, expanding into other product lines and other mass media. This expansion included television programming, print media, sound recordings, and home videos/DVDs, as well as cable and computers, electronic hardware and software, retail

stores, and theme parks such as Universal Studios. To maintain the industry’s economic stability, management strategies today rely on both heavy advance promotion (which can double the cost of a commercial film) and **synergy**—the promotion and sale of a product throughout the various subsidiaries of the media conglomerate. Companies promote not only the new movie itself but also its book form, soundtrack, calendars, T-shirts, Web site, and toy action figures, as well as “the-making-of” story on television, home video, and the Internet. The Disney studio, in particular, has been successful with its multiple repackaging of youth-targeted movies, including

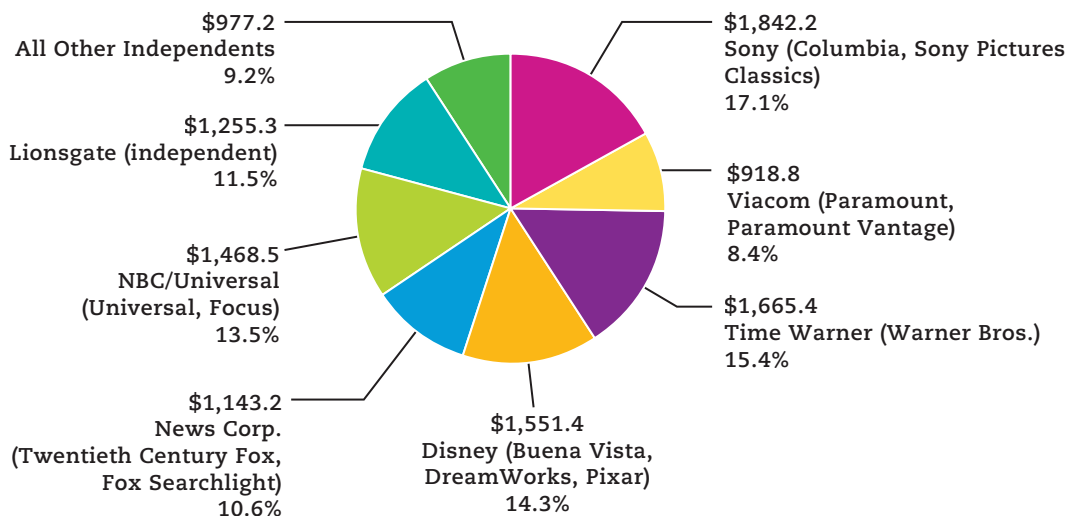
### PRODUCT PLACEMENT

in feature films is not limited to big-ticket events like entries in the James Bond or *Transformers* franchises. Many smaller-scale movies, like the 2011 romantic comedy *What’s Your Number?*, feature prominent use of real-life products like Apple laptops. Of course, most movies released by Columbia Pictures (a subsidiary of Sony) will feature Sony electronics instead.

FIGURE 7.2  
MARKET SHARE OF U.S. FILM STUDIOS AND DISTRIBUTORS, 2012 (IN \$ MILLIONS)

Note: Based on gross box-office revenue, January 1, 2012–December 31, 2012. Overall gross for period: \$10.822 billion.

Source: Box Office Mojo. Studio Market Share, <http://www.boxofficemojo.com/studio/>.





## WHAT DISNEY OWNS

*Consider how Disney connects to your life; then turn the page for the bigger picture.*

comic books, toys, television specials, fast-food tie-ins, and theme-park attractions. Since the 1950s, this synergy has been a key characteristic in the film industry and an important element in the flood of corporate mergers that have made today's Big Six even bigger.

The biggest corporate mergers have involved the internationalization of the American film business. Investment in American popular culture by the international electronics industry is particularly significant. This business strategy represents a new, high-tech kind of vertical integration—an attempt to control both the production of electronic equipment that consumers buy for their homes and the production/distribution of the content that runs on that equipment. This began in 1985 when Australia's News Corp. bought Twentieth Century Fox. Sony bought Columbia in 1989 for \$4 billion. Vivendi, a French utility, acquired Universal in 2000 but sold it to General Electric, the parent of NBC, in 2003. Comcast bought a controlling stake in NBC Universal in 2009 and government agencies approved the merger in 2011. In 2006, Disney bought its animation partner, Pixar. It also bought Marvel in 2009, which gave Disney the rights to a host of characters, including Spider-Man, Iron Man, Hulk, the X-Men, and Fantastic Four. In 2012, Disney bought Lucasfilm, gaining control of the Indiana Jones and Star Wars franchises, plus the innovative technologies of George Lucas's famed Industrial Light & Magic special effects company. (See "What Disney Owns.")

### Convergence: Movies Adjust to the Digital Turn

The biggest challenge the movie industry faces today is the Internet. As broadband Internet service connects more households, movie fans are increasingly getting movies from the Web. After witnessing the difficulties that illegal file-sharing brought on the music labels (some of which share the same corporate parent as film studios), the movie industry has more quickly embraced the Internet for movie distribution. Apple's iTunes store began selling digital downloads of a limited selection of movies in 2006, and in 2008 iTunes began renting new movies from all of the major studios for just \$3.99. In the same year, online DVD rental service Netflix began streaming some movies and television shows to customers' computer screens and televisions.

The popularity of Netflix's streaming service opened the door to other similar services. Hulu, a joint venture by NBC Universal (Universal Studios), News Corp. (Twentieth Century Fox), and Disney, was created as the studios' attempt to divert attention from YouTube and get viewers to watch free, ad-supported streaming movies and television shows online or subscribe to Hulu Plus, Hulu's premium service. Comcast operates a similar Web site, called Xfinity. Google's YouTube, the most popular online video service, moved to offer commercial films in 2010 by redesigning its interface to be more film-friendly and offering online rentals. Amazon.com, Vudu (owned by Walmart), and CinemaNow (owned by retailer Best Buy) also operate digital movie stores.

Movies are also increasingly available to stream or download on mobile phones and tablets. Several companies, including Netflix, Hulu, Amazon, Google, Apple, Redbox and Blockbuster, have developed distribution to mobile devices. Small screens don't offer an optimal viewing experience, but if customers watch movies on their mobile devices, they will likely use the same company's service to continue viewing on the larger screens of computers and televisions.

The year 2012 marked a turning point: for the first time, movie fans accessed more movies through digital online media than physical copies, like DVD and Blu-ray.<sup>17</sup> For the movie industry, this shift to Internet distribution has mixed consequences. On one hand, the industry needs to offer movies where people want to access them, and digital distribution is a growing market. "We're agnostic about where the money comes from," says Eammon Bowles, president of the independent distributor Magnolia Pictures. "We don't care. Basically, our philosophy is we want to make the film available for however the customer wants to purchase it."<sup>18</sup> On the other hand, although streaming is less expensive than producing physical DVDs, the revenue is still much lower compared to DVD sales. Hollywood is responding by offering UltraViolet, a digital rights

#### MOVIES

- Walt Disney Pictures
  - Walt Disney Animation Studios
  - Pixar Animation Studios
  - Touchstone Pictures
  - Marvel Studios
  - Disney Nature
  - Lucasfilm
- Walt Disney Studios Motion Pictures International
- Walt Disney Studios Home Entertainment

#### MUSIC

- Disney Music Group
  - Walt Disney Records
  - Hollywood Records
  - Disney Music Publishing

#### PUBLISHING

- Disney Publishing Worldwide
- ESPN *The Magazine*
- Marvel Entertainment
- *Wondertime* magazine
- *FamilyFun* magazine

#### TELEVISION/RADIO

- Disney-ABC Television Group
  - ABC Entertainment Group
  - ABC News
  - ABC Family
  - Disney Channel Worldwide
  - Hyperion
  - A&E/Lifetime
- ESPN, Inc. (80 percent)
- ABC-owned television stations (10)

#### INTERNET/MOBILE CONTENT

- Disney Interactive
  - Disney.com
  - ESPN360.com
  - Mobile ESPN
  - Club Penguin

#### DISNEY PARKS AND RESORTS

- Disneyland Resorts and Parks (10 locations)
- Disney Cruise Line
- Adventures by Disney
  - Walt Disney Imagineering

Turn page for more ▶

## WHAT DOES THIS MEAN?

*Disney's reach touches people of every age all around the world.*

- **Revenue and Employees.** In 2012, Disney had revenues of about \$42.3 billion and employed 166,000 people.<sup>1</sup>
- **Movies.** As of October 2012, Disney has released domestically 980 full-length live-action features, 90 full-length animated features, and hundreds of shorts.
- **Television.** Disney operates the ABC Television Network, which reaches 99 percent of all U.S. television households.
- **Sports.** For users seeking sports content on mobile devices, 75 percent rely on ESPN.
- **Disneyland.** More than 500 million visitors have passed through the gates of Disneyland in Anaheim, California, since it opened in 1955. Disneyland Paris welcomes more visitors annually than the Eiffel Tower and the Louvre combined.
- **Consumer Products.** Disney Consumer Products is the world's largest licensor, putting Disney characters on everything from children's laptops to maternity wear.
- **Publishing.** Disney is the world's largest publisher of children's books and magazines, reaching families in 85 countries and 75 languages.
- **Radio.** The ESPN Radio Network is carried on more than 350 stations, making it the largest sports radio network in the United States.
- **Global.** Disney operates more than 100 worldwide channels, up from 19 a decade ago.

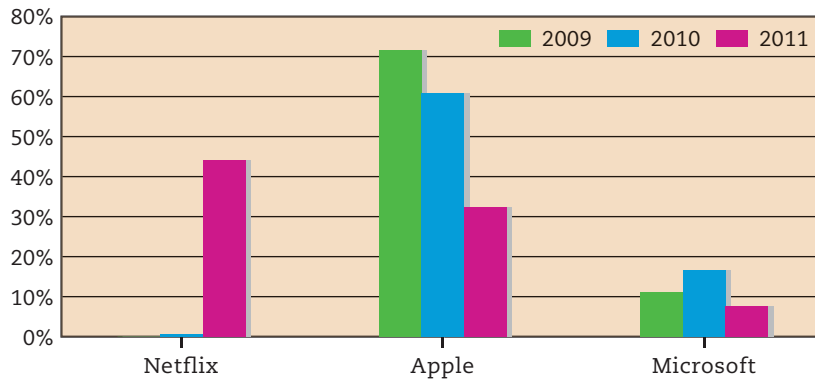


FIGURE 7.3

### ONLINE MOVIE MARKET SHARE RANKING IN 2011

Source: IHS Screen Digest June 2012.

service that enables buyers of movies on DVD/Blu-ray to enter a code and stream or download those same movies from their cloud library to multiple devices.

The digital turn creates two long-term paths for Hollywood. One path is that studios and theaters will lean even more heavily toward making and showing big-budget blockbuster film franchises with a lot of special effects, since people will want to watch those on the big screen (especially IMAX and 3-D) for the full effect—and they are easy to export for international audiences. The other path features inexpensive digital distribution for lower-budget documentaries and independent films, which likely wouldn't get wide theatrical distribution anyway but could find an audience in those who watch from home.

The Internet has also become an essential tool for movie marketing, and one that studios are finding less expensive than traditional methods like television ads or billboards. Films regularly have Web pages, but many studios also now use a full menu of social media to promote films in advance of their release. For example, Lionsgate's 2012 movie *The Hunger Games* employed "near-constant use of Facebook and Twitter, a YouTube channel, a Tumblr blog, iPhone games and live Yahoo streaming from the premiere" to build interest that made it a hit film.<sup>19</sup>

## Alternative Voices

With the major studios exerting such a profound influence on the worldwide production, distribution, and exhibition of movies, new alternatives have helped open and redefine the movie industry. The digital revolution in movie production is the most recent opportunity to wrest some power away from the Hollywood studios. Substantially cheaper and more accessible than standard film equipment, **digital video** is a shift from celluloid film; it allows filmmakers to replace expensive and bulky 16-mm and 35-mm film cameras with less expensive, lightweight digital video cameras. For moviemakers, digital video also means seeing camera work instantly instead of waiting for film to be developed and being able to capture additional footage without concern for the high cost of film stock and processing.

By 2002, a number of major directors—including Steven Soderbergh, Spike Lee, Francis Ford Coppola, George Lucas, and Gus Van Sant—began testing the digital video format. British director Mike Figgis achieved the milestone of producing the first fully digital release from a major studio with his film *Time Code* (2000). But the greatest impact of digital technology is on independent filmmakers. Low-cost digital video opens up the creative process to countless new artists. With digital video camera equipment and computer-based desktop editors, movies can now be made

for just a few thousand dollars, a fraction of what the cost would be on film. For example, *Paranormal Activity* (2007) was made for about \$15,000 with digital equipment and went on to be a top box-office feature. Digital cameras are now the norm for independent filmmakers, and many directors at venues like the Sundance Film Festival have upgraded to high-definition digital cameras, which rival film's visual quality. Ironically, both independent and Hollywood filmmakers have to contend with issues of preserving digital content: Celluloid film stock can last a hundred years, whereas digital formats can be lost as storage formats fail and devices become obsolete.<sup>20</sup>

Because digital production puts movies in the same format as DVDs and the Internet, independent filmmakers have new distribution venues beyond film festivals or the major studios. For example, Vimeo, YouTube, and Netflix have grown into leading Internet sites for the screening and distribution of short films and film festivals, providing filmmakers with their most valuable asset—an audience. Others have used the Web to sell DVDs directly, sell merchandise, or accept contributions for free movie downloads.



**PARANORMAL ACTIVITY (2007)**, the horror film made by first-time director Oren Peli for a mere \$15,000 with digital equipment, proves that you don't always need a big budget to make a successful film. Peli asked fans to "demand" the film be shown in their area via the Web site [www.eventful.com](http://www.eventful.com), and Paramount agreed to a nationwide release if the film received 1 million "demands." *Paranormal Activity* was released nationwide on October 16, 2009, and went on to gross close to \$200 million worldwide, spawning several sequels.

## Popular Movies and Democracy

At the cultural level, movies function as **consensus narratives**, a term that describes cultural products that become popular and provide shared cultural experiences. These consensus narratives operate across different times and cultures. In this sense, movies are part of a long narrative tradition, encompassing "the oral formulaic of Homer's day, the theater of Sophocles, the Elizabethan theater, the English novel from Defoe to Dickens, . . . the silent film, the sound film, and television during the Network Era."<sup>21</sup> Consensus narratives—whether they are dramas, romances, westerns, or mysteries—speak to central myths and values in an accessible language that often bridges global boundaries.

At the international level, countries continue to struggle with questions about the influence of American films on local customs and culture. Like other American mass media industries, the long reach of Hollywood movies is one of the key contradictions of contemporary life: Do such films contribute to a global village in which people throughout the world share a universal culture that breaks down barriers? Or does an American-based common culture stifle the development of local cultures worldwide and diversity in moviemaking? Clearly, the steady production of profitable action/adventure movies—whether they originate in the United States, Africa, France, or China—continues, not only because these movies appeal to mass audiences, but also because they translate easily into other languages.

With the rise of international media conglomerates, it has become more difficult to awaken public debate over issues of movie diversity and America's domination of the film business. Consequently, issues concerning greater competition and a better variety of movies sometimes fall by the wayside. As critical consumers, those of us who enjoy movies and recognize their cultural significance must raise these broader issues in public forums as well as in our personal conversations. ▶

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**More Than a Movie: Social Issues and Film**  
Independent filmmakers are using social media to get moviegoers involved.  
**Discussion:** Do you think digital media converging with social-issue movies helps those films make a larger impact? Why or why not?



# CHAPTER REVIEW

## COMMON THREADS

**One of the Common Threads discussed in Chapter 1 is about mass media, cultural expression, and storytelling. The movie industry is a particularly potent example of this, as Hollywood movies dominate international screens. But Hollywood dominates our domestic screens as well. Does this limit our exposure to other kinds of stories?**

Since the 1920s, after the burgeoning film industries in Europe lay in ruins from World War I, Hollywood gained an international dominance it has never relinquished. Critics have long cited America's *cultural imperialism*, flooding the world with our movies, music, television shows, fashion, and products. The strength of American cultural and economic power is evident when you witness a Thai man in a Tommy Hilfiger shirt watching *Transformers* at a Bangkok bar while eating a hamburger and drinking a Coke. Critics feel that American-produced culture overwhelms indigenous cultural industries, which will never be able to compete at the same level.

But other cultures are good at bending and blending our content. Hip-hop has been remade into regional music in places like Senegal, Portugal, Taiwan, and the Philippines. McDonald's is global, but in India you can get a McAlooTikki sandwich—a spicy fried potato and pea vegetarian patty. In Turkey, you can get a McTurco, a kebab with lamb or chicken. Or in France you can order a beer with your meal.

While some may be proud of the success of America's cultural exports, we might also ask ourselves this: What is the impact of our cultural dominance on our own media environment? Foreign films, for example, account for less than 2 percent of all releases in the United States. Is this because we find subtitles or other languages too challenging? At points in the twentieth century, American moviegoers were much more likely to see foreign films. Did our taste in movies change on our own accord, or did we simply forget how to appreciate different narratives and styles?

Of course, international content does make it to our shores. We exported rock and roll, and the British sent it back to us, with long hair. They also gave us *The Office* and *House of Cards*. Japan gave us anime, Pokémon, *Iron Chef*, and Hello Kitty.

But in a world where globalization is a key phenomenon, Hollywood rarely shows us the world through another's eyes. The burden falls to us to search out and watch those movies until Hollywood finally gets the message.

## KEY TERMS

**The definitions for the terms listed below can be found in the glossary at the end of the book. The page numbers listed with the terms indicate where the term is highlighted in the chapter.**

celluloid, 242	movie palaces, 247	indies, 256
kinetograph, 242	multiplexes, 247	Hollywood Ten, 257
kinetoscope, 242	Big Five, 247	Paramount decision, 258
vitascope, 243	Little Three, 247	megaplexes, 263
narrative films, 243	blockbuster, 248	Big Six, 264
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