

The Film Industry in the 1990s

The Decade of Money, Mega-Spending and Special Effects:

In the 1990s, for the most part, cinema attendance was up - mostly at multi-screen cineplex complexes throughout North America. Although the average film budget was almost \$53 million by 1998, many films cost over \$100 million to produce, and some of the most expensive blockbusters were even more.

In the early 1990s, box-office revenues had dipped considerably, due in part to the American economic recession of 1991, but then picked up again by 1993 and continued to increase. The average ticket price for a film varied from about \$4.25 at the start of the decade to around \$5 by the close of the decade. As indoor multiplexes multiplied from almost 23,000 in 1990 to 35,600 in the year 2000, the number of drive-ins continued to decline (from 910 in 1990 to 667 in 2000).

There still existed an imbalanced emphasis on the opening weekend, with incessant reports of weekly box-office returns, and puffed-up reviews and critics' ratings. The belief was sustained that expensive, high-budget films with expensive special effects (including shoot 'em-ups, stereotypical chase scenes, and graphic orchestrated violence) meant quality. However, the independently-distributed film movement was also proving that it could compete (both commercially and critically) with Hollywood's costly output.

This emphasis on the weekend box office was a direct result of the increased studio acquisitions by giant multi-national companies that had no previous links to the entertainment industry. This meant that MBA laden executives started making business and profit motivated decisions not creative ones.

Pressures on studio executives to make ends meet and deliver big hit movies increased during the decade. Higher costs for film/celebrity star salaries and agency fees, spiraling production costs, promotional campaigns, expensive price tags for new high-tech and digital special-effects and CGI (computer generated images), costly market research and testing (to develop risk-averse, formulaic, stale, and over-produced films), scripts created by committee, threats of actor and writer strikes, and big-budget marketing contributed to the inflated, excessive spending (for inferior products) in the Hollywood film industry. True character development, interesting characters, credible plots, and intelligent story-telling often suffered in the process.

High-Cost Demanding Stars:

In the mid-1990s, perks and the excessive demands of mega-stars sometimes reached epidemic proportions for many of the highest-paid stars (including Arnold Schwarzenegger, Tom Cruise, Sylvester Stallone, Mel Gibson, Eddie Murphy, Kevin Costner, Harrison Ford, Robin Williams, Jim Carrey, Demi Moore, Julia Roberts, and others). They often demanded script approval prior to filming, directorial and other casting choices, approval of the use of images for publicity, restrictions on film scheduling, studio-paid personal and entourage jet travel, various 'extras' (such as a personal gym and trainer/nutritionist, limo service), their choice of the positioning of credits (for example, above the title and in relation to other stars), the inclusion of nudity and other 'body-related' clauses, and final-cut approval.

It became clear that once stars were earning multi-million-dollar salaries, a director and a studio could easily lose control of a film, especially when the demanding star was also one of the film's producers. Ironically, however, a highly-paid star in a big-budget film didn't guarantee a film's success.

As studio executives reviewed increasing depressing box office results they realized that they needed to look beyond North America's borders, towards, most importantly, China and the Middle East. They learned that these countries had little interest in big American stars, but instead, were drawn to unique characters. It was no longer about Mark Hamill and Tom Hanks, it was about Luke Skywalker and Woody. This was a trend that would monumentally change Hollywood movies into the 2000s.

The Digital Age and Home Viewing:

The VCR was still a popular appliance in most households (about three quarters of them in 1991) and rentals and purchase of videotapes were big business - much larger than sales of movie theater tickets

By 1997, the first DVDs (digital video discs) had emerged in stores, featuring sharper resolution pictures, better quality and durability than videotape, interactive extras, and more secure copy-protection. In just a few years, sales of DVD players and the shiny discs proliferated and would surpass the sale of VCRs and videotapes.

One of the emerging trends of the late 80s and 90s was that although about the same number of pictures were produced as in the "Golden Age of Hollywood" (about 450-500 in a year), many of the films that were produced (some estimates say 40%) went directly to video (laserdisc or DVD) or cable with no cinematic theatrical release at

all. At the same time, the window of time between a film's theatrical opening and availability for cable TV or home viewing shrunk (1 year to 6 months).***

Consumers modified their movie-watching practices again when the online DVD movie rental service Netflix began offering its website subscribers postal shipping of rented DVDs in 1998. Inevitably, Netflix experienced market-share competition from Blockbuster, Hollywood Video, and Wal-Mart (and more recently from cheap \$1 DVD-rental kiosks or automated vending machines in grocery and discount stores).

1999 was the debut year of the popular TiVo device, a personal digital video recorder (PVR or DVR) — also dubbed a hard-disc recorder (HDR). TiVo had the capability of recording broadcast movies and episodes of favorite programs, quickly skipping past the commercials, and even pausing and rewinding live TV. Within a few years, a broadband-connected TiVo DVR offered a vast library of video-on-demand choices from many online entertainment partners.

And then in just a few years, MovieLink, the much-anticipated online movies-on-demand venture was formed and then launched in 2002 by five of the top six major Hollywood studios (Sony Pictures Entertainment, Universal Studios, Paramount Pictures, Metro-Goldwyn-Mayer and Warner Bros). This marked the first time a large supply of recent, popular films was available legally on the Internet, for rent or purchase.

*****This has become a major controversy today as studios are now demanding a 30-day theatrical window.**