

Exhibs now able to take 'longer view' of business; Rides, coffee bars, arcades in theaters' future

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Body

The image of instant superstar Jim Carrey kissing and licking the award he received this week for starring in three comic blockbusters in the past year provides an apt symbol for the crowded but smooth run of NATO/ShoWest '95.

It was a year for the business of fun. There were few political or business issues, but a lot of talk about new and expanded forms of entertainment, about new stars, new sources of revenue and the globalization of exhibition.

It was a year during which those who own and operate movie theaters clearly recognized that it isn't just about showing movies and selling popcorn, but rather it's about attracting and entertaining people in large numbers.

"The modern exhibitor looking toward the future is open to alternative opportunities to please his or her patron," said Howard Lichtman, executive vice president marketing and communications for Cineplex Odeon. "The skills that we have in servicing people in large numbers and what we offer them as an escape from their homes in a shared experience is what we have always offered them, and now we can move them into new forms of entertainment. However, we cannot forget that the core of our business is the movies."

Cineplex Odeon will soon open a 100,000-square-foot family entertainment center in Niketown in Seattle. "This is the future," Lichtman said.

Cineplex Odeon, along with almost every major exhibitor, has announced plans to open or test new kinds of entertainment centers that include movies but may also include the sale of licensed merchandise, new kinds of theme attractions, expanded food and restaurant offerings, video-game arcades and more. Among those involved in major initiatives are United Artists Theaters, AMC Entertainment, General Cinema and Regal Cinemas.

"We are in the entertainment business and we have to recognize that entertainment goes beyond selling a ticket, popcorn and a soft drink and then getting people into a seat. It's about creating a valuable experience and then getting people to repeat it as often as possible," said William Dohren, chairman of MGM International Cinema Group and a former top executive at AMC.

In the halls, on the trade show floor and at a number of panels and seminars, the **cinema of the future** was being discussed almost as frequently as the quality of the movie trailers being shown by exhibitors. There was an excitement about the theater business from people who in the past talked gloomily of competition from electronic delivery systems, but now appear to have learned to live with the growing ancillary markets.

"There's a general mood of optimism," said William Kartoian, president of the National Association of Theater Owners. "People are upbeat, notwithstanding the fact we're in a two-month decline. People are taking a longer view of the business. We're no longer under siege from pundits and prognosticators who predict our doom."

Many industry leaders are already talking excitedly about the shape of the entertainment centers of the future. "We've got a number of new concepts in the planning stages," said Robert Friedman of AMC Entertainment International. "We think theaters in the future will consist of 20 to 30 screens issuing a variety of attractions for all ages and demographic groups. They will have the best projection, surround sound and very comfortable environments. They will be in locations surrounded by related outlets like the Disney stores and the Warner Bros. stores. The motion picture center has arrived as the anchor for the strip malls of the future. They will be all entertainment and related retail outlets as well as food operations as international in scope as the theaters themselves."

"In the next five to 10 years, movie theaters will look a lot different, surrounded by entertainment the exhibitor will control that is not movies," Pete Warzel, president of United Artists Theatre Circuit, said at an industry seminar. "But what isn't going to change is your core business -- movies. And that will be the same experience we know today."

"When you put all this stuff together it excites people and it works," said Lee Roy Mitchell of Cinemark, which will soon merge with Cineplex Odeon to create the world's largest international exhibition company. "But you've got to remember the movies are still the main thing."

Mitchell announced this week that May 5 will be the opening date for a megacomplex in Mexico City, which will incorporate theaters and things like a movie merchandise store and coffee bar with other activities inside a cultural center built on the site of a former movie studio. It will be the first modern multiplex in Mexico City.

"It's a total entertainment concept and theater and it really is the first of its kind in Latin America," added Cinemark's Ken Higgins.

Richard Mizer, tech manager of advanced video services for **Pacific Bell**, was at ShoWest demonstrating what the telco is calling the **cinema of the future** -- images delivered over fiber optic. He was pitching theater operators to consider increasing the hours they use their complexes by adding video screenings of major sports and entertainment events, and even video teleconferencing. "Theaters are currently dark on average 12 hours a day," said Mizer. "We want them to turn that into an ancillary business."

"It's extra revenue for every-body," said John Shaw, president of the Film Booking Office and Movieline International in Dallas, "It also involves the audience even more in the moviegoing experience. You can not only see the movie. You can take it with you."

Along with revenue, and attracting more customers, new attractions can also provide new marketing opportunities, according to Mitch Francis, chairman, and Gary Packman, executive vp, of Cinema Ride, a 3-D simulator that can be placed in a theater lobby or adjoining area. They were urging exhibitors to visit their installation at Caesars Palace and discussing a deal with Nickolodeon Theaters of San Diego to incorporate their device in a new 10-plex in Chula Vista, Calif. They are one of several companies, including Showscan, involved in creating new attractions that draw on movies and movie-like concepts to create excitement and revenue for theaters.

"We feel strongly this is going to proliferate throughout the theater industry and at some point begin to integrate into the films them-selves," Francis said.

He means that when a hit film plays, people will be able to come out and pay an additional fee to go on a ride tied to it; or may go on a ride with a movie theme in advance of a release as a way to generate interest.

"Theater owners are finally starting to understand that when they bring thousands of people into a complex they can sell them more than popcorn," Packman said. "They are wasting a captive audience."

Mitchell Goldman, president of distribution and marketing for New Line Cinema, said there is no evidence any of this is hurtful to distribution, and it may even be helpful. "If it's semi-theatrical in nature ... and if it makes the movie theater a fun place to go or be near, I think that's a plus," he said.

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Sony Pictures Entertainment president Alan Levine reminded listeners that while we "talk about a complex surrounded by other things, don't mistake the value of the theatrical experience -- with a large, clean screen, sharp opticals, great sound. That's an experience you can't duplicate anywhere else. Movies are still the head of the food chain."

Jeffrey Daniels and Randall Tierney contributed to this report.

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