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Digital Cinema – Reality 05? ©

By Marty Shindler

It came as a question from an acquaintance who prides himself on monitoring the entertainment industry, a simple question actually, as to whether 2005 will be the year digital cinema will become a bona fide reality.

My simple answer was yes. The more complex answer is that with all of the fundamentals in place, the roll out of digital cinema in a big way still has not occurred and *that* is reality.

To actually say that 2005 will be the year is a bit presumptuous, after all the concept has been around for over a decade, and with each announcement in the press about a new digital cinema projector, related product or service, the speculation begins anew.

However, in thinking about the current state of the technology and its potential to become a force, it seems that this year could actually represent the beginning of the long road to converting the North America exhibition market to digital. Let's look at some of the fundamentals that support this, before looking at some of the potential impediments to digital conversion.

- The Digital Cinema Initiatives (“DCI”) technical standards appear to be nearly complete, save some minor ongoing tweaks. Of course, tweaks are a reality in all technology matters and no doubt will increase after systems are deployed in the field.
- Studios continue to release films digitally on the relatively few existing digital screens, honing their ability to implement the process on a larger scale when critical mass is achieved.
- 2K projection is a reality. Many of us have seen it on a regular basis. According to many pundits, its resolution is superior to that of a film print.
- While there are still several studios that reportedly do not want to release their movies until 4K projection systems are beyond the prototype stage, the definition of prototype in this case is up for grabs. The reality is that Sony, Christie, and JVC have 4K projectors far beyond the prototype stage.
- Landmark Theaters and owners Mark Cuban and Todd Wagner have announced the purchase of six Sony 4K projectors for their Landmark circuit and reportedly will announce before long that they will buy additional 4K projectors with which to outfit all 58 of their locations. Landmark has had digital projection in many locations for several years.
- Mark Cuban and Todd Wagner also recently announced a day and date release of films shot on HD that will debut simultaneously in their theaters as well as on HDNet and DVD. Digital capture will enhance their ability to turn the product around quickly. Steven Soderbergh will direct 6 of the films. Landmark will be the initial

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theater circuit for these films. It remains to be seen which other exhibitors will take a chance on opening the films. Other exhibitors may not take these films, at least the early ones, due to their fear of the concurrent DVD release cutting into their box office.

- The production infrastructure is in place, including increased use of HD and digital cameras, and perhaps most importantly, the remarkable penetration of the DI or digital intermediate process in feature films. While DI has a number of intended uses, it is the final digital master that will enable a smooth transition to digital cinema.
- Ireland with 500 screens at 105 sites and the UK with 500 screens are set to convert to digital cinema according to recent announcements. The conversion will make all of Ireland's theaters digital.

And while this list could include several other reasons why digital exhibition will be a reality beginning this year, perhaps one of the most innovative drivers of the technology will be 3D stereoscopic presentations. At this year's Showest, industry heavy weights James Cameron, George Lucas, Robert Rodriguez and Robert Zemeckis were part of a live panel discussing the benefits of 3D implementation. They were supported by Peter Jackson on tape.

The members of this group, leaders in the whole digital migration, from their hands on involvement in digital cinematography to significant players in the world of digital effects and post tools, have long been proponents of digital cinema. All but Lucas and Jackson have directed 3D films, although no one would discount their ability to do so. Note the following:

- James Cameron is about to start his 4th 3D film, following his Universal Theme Park work on *T2:3D*, *Ghosts of the Abyss* and *Aliens of the Deep*. The latter two were shot in HD3D and were released by Disney. The next film, *Battle Angel*, reportedly has a budget of \$150 million and will be financed and distributed by Fox, bringing the total count to 3 studios involved in Cameron's 3D projects.
- Robert Rodriguez will release his second 3D film in June 2005 entitled *The Adventures of Shark Boy and Lava Girl in 3D*. His first 3D film was *Spy Kids 3D Game Over*. No doubt there will be a third 3D film from this prolific director and multi-hyphenate. Dimension Films, currently a part of the Disney organization, is involved in the releases of both films.
- Robert Zemeckis released Warner Bros.' *Polar Express* in 3D in Imax theaters, simultaneously with its 35mm release. The film generated \$45 million in worldwide box office for the 3D release, representing 16% of the film's \$282 million total, with most of the 3D total in North America, where the total box office was \$163 million. Zemeckis has announced that his next two films will be in 3D.
- George Lucas showed a portion of *Star Wars: Episode IV A New Hope* that had been converted into 3D to the Showest audience and announced that he would convert the entire film as well as Episodes V and VI to 3D. Fox has released all of the Star Wars films to date.

So, what is driving the decision of these industry leaders into 3D films?

It is the rock steady projection that can produce pristine 3D images on the screen, supported on the production side by HD digital image acquisition and the promise of digital exhibition, combined with needing to find ways to lure audiences to the multiplex. With box office stagnating and attendance down, the time may be right to introduce an enhanced experience.

At Showest, Mann Theaters announced that their new digital screen at the Hollywood Chinese Theater will include 3D capabilities, equipped with technology from Real D. That same announcement, discussed by Variety, indicated that Real D predicted 1,000 3D theaters by mid 2006 to support the films from these directors.

The case for digital cinema has been made. But it is not all rosy for digital cinema as there are still some impediments to the roll out of the digital cinema systems, especially in North America.

- Cost – The biggest impediment is the cost of conversion. The nation's exhibitors are concerned about who is going to pay for the conversion while the distributors are the biggest beneficiaries through their savings in print and related distribution costs.
- Indifference – To the mainstream consumer, the person who pays at the box office, it may not matter. The average consumer does not go to the box office window today wanting to know who the projector manufacturer is before buying a ticket and probably will not ask if the film is being presented digitally or on celluloid.

It is possible that the consumer will ask if the film is in 3D or 2D, as more 3D projects come to fruition and make it to the world's theaters.

Stay tuned, I told my acquaintance. This is just the beginning of the next reality in cinema presentations, 3D riding on the wave of digital projection in the world's theaters, bringing a new form of entertainment.

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