

US film studios attempt to attract audiences back to theaters

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Hollywood studios are making a concerted effort to draw audiences back to the movie theaters after a 15-month period during which the COVID-19 pandemic wreaked havoc on the filmmaking and film exhibition industries. The effort is characterized by the predictable shortsightedness, pragmatism and greed with which one normally associates the US movie business.

On May 19, the industry organized a conference, “The Big Screen Is Back,” at a Los Angeles movie theater, sponsored by the Motion Picture Association, National Association of Theatres, various movie studios and distributors and prominent figures in public relations.

Former California governor and *Terminator* star Arnold Schwarzenegger addressed the select media and industry crowd. “Now is the time to wind down this pandemic period, now is the time to get back to the big screen,” Schwarzenegger asserted, according to *Deadline*.

“The big screen is back, ladies and gentleman!” the actor declared, and “then led the whole auditorium at the AMC Century City 15 in a chant of ‘We are back! We are back!’”

For entertainment industry executives, of course, wealth and income never went anywhere. The vast majority engaged themselves further during the pandemic on the stock market and by other means, even as job losses and pay cuts, temporary and permanent, climbed dramatically.

Research conducted by *Variety*, for instance, pointed to the “largely cosmetic” character of the promises of “shared sacrifice” made last year by Hollywood CEOs even as “the global health crisis ... closed movie theaters and theme parks and brought film and television production to a standstill, forcing companies to lay off or furlough thousands of workers.”

The trade publication pointed out that “the belts that companies tightened still seemed to stretch a lot with bonuses and perks that ensured media CEOs will continue to rank among the nation’s highest-paid executives.” While total employment at AT&T, Comcast, Discovery, Disney, Fox, Lionsgate, Netflix and ViacomCBS dropped by 57,153 in 2020, average compensation of studio chiefs remained at \$30 million. *Variety* cites Charles M. Elson, professor of finance at the University of Delaware, who noted that while some executives

“took salary cuts ... Most of what they lost in salary will be made up for in long-term incentives.”

Variety’s article observed that “a typical employee would have to work 338 years to match what the CEOs averaged in 2020 alone based on each company’s calculation of median worker pay.” Disney CEO Robert Chapek earned \$14.2 million in 2020, AT&T CEO John Stankey \$21 million, Comcast CEO Brian Roberts \$32.7 million, Fox CEO Lachlan Murdoch \$29.2 million and Netflix’s co-CEOs Reed Hastings and Ted Sarandos \$43.2 million and \$39.3 million, respectively, etc.

Workers in film exhibition worldwide have suffered some of the most severe blows. Following the pandemic outbreak in China, its 70,000 cinemas closed down. In the first two months of 2020, box office revenue in that country fell to US\$3.9 million, compared to US\$2.148 billion in the first two months of 2019, according to *Business Insider*. Cinemas shut down in many parts of the globe beginning in March 2020.

The 5,800 or so movie theaters/locations in the US employ 153,000 workers, nearly all of whom were out of work at some point over the past 15 months, or still remain so. *Forbes* reports that movie theaters in 2020 grossed \$2.1 billion, down 81.4 percent from the \$11.3 grossed the previous year.

Regal, one of the largest chains, closed its 542 sites in the US in March 2020 and furloughed 24,000 out of 25,000 workers, leaving workers with no pay and one month of COBRA health care. AMC furloughed 26,000 out of 27,000 workers. The *Hollywood Reporter* disclosed on March 5 of this year that AMC chief Adam Aron “received compensation of \$20.92 million in 2020, up from \$9.67 million in 2019.” Financial analysts argue that AMC will have difficulty surviving in the long term. Revenues for Cinemark, which operates 325 theaters in 42 states, fell from \$543.6 million in the first quarter of 2020 to \$114.4 million in this year’s first quarter.

A number of smaller chains, such as Studio Movie Grill, Alamo Drafthouse and ArcLight Cinemas (Pacific Theatres), have been obliged to file for bankruptcy. Indiewire revealed in April that a three-day eviction notice had “landed on the front door of ArcLight Cinemas’ Culver City, California [Los Angeles] location.” The notice stated “that parent company Pacific Theatres Exhibition has not paid March 2021 rent of \$181,900.40.”

Independent cinemas across the US face a dire fate. Landmark's Main Art Theatre in Royal Oak, Michigan, in operation for 80 years, closed its doors June 12. Its marquee read, "Landlord kicked us out / It's been a fun ride—Main Art Crew / R.I.P. / 1941-2021" Another Landmark theater, the River Oaks in Houston, closed in March, a victim of the COVID-19 pandemic.

The result of the crisis will be even further consolidation of the entertainment industry. In the midst of the pandemic, Amazon acquired MGM Studios for \$8.45 billion. A commentator at the *Observer* explained that in recent years, "Disney has gobbled up 21st Century Fox and taken full control of Hulu while launching its own dominant streaming platform in Disney+. AT&T has acquired TimeWarner to create WarnerMedia and roll out subscription-video on demand challenger HBO Max. Comcast has snapped up British satellite broadcaster Sky and similarly launched streamer Peacock. All of these multi-billion dollar deals were aimed at better competing with the Netflixes of the world."

The *Observer* article continued, "The intersection of Hollywood and Silicon Valley is only growing more populated and the entertainment industry is far from finished with its consolidated gentrification."

This "consolidation" process also extends to film production itself. Scott Mendelson, *Forbes* film critic and box office pundit, refers to the end result being "a smaller set of movies making up a larger piece of the financial pie. That's not healthy long-term."

Movie theaters are once again opening up in the US, with the states recklessly lifting any pandemic restrictions. Whether audiences will flock to the theaters remains a question. Executives at the May 19 "The Big Screen Is Back" event boasted that surveys indicated 70 percent of American moviegoers were comfortable returning to cinemas, but a May 31 *Forbes* piece pointed to other polling suggesting that "many may still be hesitant to return. A recent Morning Consult poll conducted May 13-15—after new public health guidance came out saying vaccinated Americans don't have to wear masks indoors—found only 38% of vaccinated respondents said they would be comfortable going to the movies right now."

In any event, the organizers of "The Big Screen Is Back," without intending to, made a case for the intellectual and artistic bankruptcy of the major American film studios. First, so desperate were those in attendance to "celebrate" the widespread reopening of movie theaters they could not even manage to acknowledge the dimensions of the social and medical tragedy, or express the slightest concern about the health risks posed by what they hope will be crowded cinemas.

A great deal of blather was devoted May 19 to the "magic" and the "visually spectacular" character of the filmgoing experience. The "various marketing and distribution heads," recounted Indiewire, "hummed the usual exhibition mantra about the irreplaceable big-scale communal theater experience,

undistracted in the dark." Moreover, Rolando Rodriguez, chairman of the National Association of Theatres, explained that "return of moviegoing" was not only critical for "our studio partners," but for "our economy" as a whole. Schwarzenegger made reference to the movie theater workers who have "sacrificed so much this past year."

In fact, a cynical observer might suggest, the numerous benefits of attending movies in person were enumerated, except possibly their contribution to the incomes of the individuals on hand and the bottom lines of their various conglomerate employers.

And what of the films themselves, promoted May 19 in clips provided by the studios? The event took place at a time when hundreds of thousands had died needlessly in the US and millions globally. Was there a single movie promoted there that might help sensitize the public as to the conditions and the type of society, riven by economic inequality, that had made the pandemic catastrophe possible in the first place? The reader will likely be able to answer the question for him or herself.

The Motion Picture Association website, announcing the event, asked, "And what films will help usher in this return to the big screen? Beautifully, some of the biggest, most popcorn-worthy titles imaginable. Over Memorial Day Weekend, John Krasinski's *A Quiet Place Part II* and Craig Gillespie's *Cruella* will hit theaters, both promising the kind of eye-popping entertainment meant for the theater experience. In the coming weeks and months, major titles like *F9*, *In The Heights*, *Black Widow*, *Space Jam: A New Legacy*, *The Green Knight*, *The Suicide Squad*, and *Candyman* will be playing on movie screens near you."

"The Big Screen Is Back" organizing committee said in a statement, "There is a lot to be excited about and much for audiences to look forward to this summer." On the face of it, there is no good reason to agree with that assessment.



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