

Release Windows

- “My diverse media career spans all the various distribution platforms. And what I have learned through my experience is that the North American **theatrical exhibition and marketing drives the success** of all other ancillary revenue streams throughout the world.”
—Harry Sloan, CEO, MGM, ShoWest Convention speech, March 16, 2006

- If windows collapse, then Hollywood **squanders** the very quality that makes movies such a successful out-of-home entertainment experience: their panache, glamour, uniqueness. They would converge in the mind of the consumer with a host of other interchangeable entertainment products. They would become **television-show-of-the-week**.

“If you collapse a window or go day and date ... if you eliminate the movie theater, you’re doing movie of the week. And the sizzle ... of the movie industry will be gone. You have to guard the value of the content.”

—Howard Stringer, Sony Corp. Chairman, News Conference in New York City
September 29, 2005, as reported in *Variety*, Sunday, October 2, 2005

- Short release windows are synonymous in the public mind with **lower quality films** that underperformed in the theatrical marketplace.
- Simultaneous release would **doom sleeper and build-up hits** like *My Big Fat Greek Wedding*, *March of the Penguins*, and *Wedding Crashers*. Even assuming such movies could build up popularity in secondary markets, they’d be long gone from Wal-Mart, and retailers would insist on second-release pricing and additional marketing.
- The primary beneficiary of simultaneous release would be the **rental market**—and a corresponding drop in consumer demand for theatrical and DVD purchase.

“Clearly then, shorter windows are not panaceas... The idea that increased DVD sales would more than make up for the loss of theatrical revenue fails to account for the fact that the First Sale doctrine means if DVDs are available for sale, they are also available to rent. ... The caution with which suppliers are fine-tuning their windows suggests they are well aware of the danger that allowing early rental would merely implode theatrical, with little sell-through gain.”

—Tom Adams, President, Adams Media Research, *Hollywood Aftermarket* (Feb. 28, 2007)

- Collapsing windows wouldn’t put a dent in **piracy**. Quite the contrary, simultaneous release simply eliminates the expense and legal risk of camcording in theatres by furnishing the pirates with a pristine quality DVD-master immediately. Moreover, as James Gianopulos, Co-Chairman, Twentieth Century Fox Filmed Entertainment, told Reuters on December 2, 2005, “when people say, ‘reinvent your business model because of the ubiquitous availability of pirated product,’ there’s a huge flaw with that. **You can never compete with free.**”
- Whatever **negative market forces simultaneous release unleashes will be irreversible**. The industry cannot return to tiered release once that train leaves the station. Which is to say, if it ain’t broke don’t fix it.