(Los Angeles, Calif. – 28 April 2020) Trolls World Tour reportedly grossed $95 million domestically in three weeks as a 48-hour, $20 rental (The original Trolls grossed $153.7 million domestically and $193.2 million internationally in theatrical box office). This performance is indicative of hundreds of millions of people isolated in their homes seeking entertainment, not a shift in consumer movie viewing preferences. It is not surprising that people under shelter-in-home ordinances for weeks on end with increasingly limited entertainment options would take advantage of the movie’s direct-to-VOD move to keep children entertained, even at a premium price.

Further, Universal heavily marketed the title as a theatrical release, in theaters and elsewhere, for weeks on end. That is unlikely to recur in normal times, and those costs haven’t been disclosed. While Universal may be pleased with the PVOD results of Trolls World Tour, this outcome should not be interpreted as a sign of a “new normal” for Hollywood.

“Universal does not have reason to use unusual circumstances in an unprecedented environment as a springboard to bypass true theatrical releases,” said NATO president and CEO John Fithian. “Theaters provide a beloved immersive, shared experience that cannot be replicated – an experience that many of the VOD viewers of this film would have participated in had the world not been sequestered at home, desperate for something new to watch with their families. We are confident that when theaters reopen, studios will continue to benefit from the global theatrical box office, followed by traditional home release.”

Consumer behavior over the last decade and a half shows that transactional video is in secular decline. Sales and rentals of individual titles to the home were $24.9 billion in 2004 and shrank 62 percent to $9.3 billion in 2019.

According to a recent Morning Consult poll, “U.S. adults say the on-demand price range that they’d be willing to pay in-home for a movie currently in theaters is $5 to $8, with the optimum price being $6.” This demonstrates that consumers are more price sensitive when considering at-home entertainment during normal times, showcasing the financial upside to an exclusive theatrical release.
Following the traditional movie release model, studios have multiple revenue streams in-home - EST, DVD sales/rentals, digital rentals, free TV, and subscription cable and streaming - all at progressively declining price points. This allows studios to re-monetize the same content multiple times, maximizing the financial impact of each new film, with the theatrical venue the only payment received on a per capita basis.

As Deadline notes:

The irony in the wake of DreamWorks Animation’s *Trolls World Tour* heading into homes...due to COVID-19... is that Universal’s most profitable movie from last year was *How to Train Your Dragon: The Hidden World*... The threequel’s success here underscores the financial upside of a theatrical release and its downstream window revenues.

**ABOUT NATO**
The National Association of Theatre Owners is the largest exhibition trade organization in the world, representing more than 35,000 movie screens in all 50 states, and more than 33,000 additional screens in 97 countries worldwide.

Headquartered in Washington, D.C., with a second office in Los Angeles, California, NATO represents its members in the heart of the nation’s capital as well as the center of the entertainment industry. From these vantage points, NATO helps exhibition influence federal policy-making and work with movie distributors on all areas of mutual concern, from new technologies to legislation, marketing, and First Amendment issues. [www.natoonline.org](http://www.natoonline.org)

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