

Glasgow, Scotland, provided a brilliant backdrop for the 2003 GSTA International Conference and Trade Show. Hosted by the Glasgow Science Center, with an opening reception and a screening of Principal Large Format's *Legend of the Loch* at Loch Lomond Shores, delegates attended film screenings, professional development sessions and the always popular Achievement Awards. With 524 registered attendees, the International Conference met its attendance goal. However, with fewer sponsors and advertisers, fewer trade show exhibitors, fewer films screened and in production, and fewer conference-provided meals and activities than in recent years, it's painfully clear the giant screen industry is not rising from its economic slump just yet.

Widely differing views on the current predicament were expressed at the professional development session "State of the Giant Screen Industry Part II: Facts, Fiction and the Future," but the GSTA-commissioned consumer research results presented



At the Glasgow Science Center, the GSTA 2003 International Conference and Trade Show host.

at the conference may help focus the industry's attention on plausible solutions. And considering the standing-room-only crowds at both sessions, the industry is looking for answers.

CONSUMER RESEARCH AND THE STATE OF THE INDUSTRY

Perhaps the most highly anticipated session of the conference, "Understanding the Giant Screen Audience: An Analysis of the Results of the GSTA's

2003 INTERNATIONAL CONFERENCE & TRADE SHOW REPORT

Giant screen industry economics are still in turmoil, but GSTA's annual conference provided attendees the opportunity for discussion and debate. And the GSTA-commissioned research results may offer the industry some ideas on how to move forward.

BY KELLY GERMAIN

2003 Viewer and Nonviewer Research Programs" presented the results of the GSTA-commissioned consumer research project, the first full-scale, nonbranded research in the giant screen industry's history. Led by the GSTA Consumer Research Work Team and conducted by TNS Intersearch, the purpose of the research was to gather information about current and likely giant screen film viewers. Some of the data quantified speculation that has circulated within the industry; however, many of the findings may have caught the industry off guard. (See page 40 of this issue of *The Big Frame* for an in-depth article on the research results.)

While last year's "State of the Giant Screen Industry" session painted a rather universally bleak picture for the present and future of the industry, this year's follow-up session, "State of the Giant Screen Industry Part II: Facts, Fiction and the Future," was a bit more contentious. The session featured perhaps the most inclusive panel at a GSTA conference yet. Institutional, commercial and hybrid theaters were

Dylan's "Subterranean Homesick Blues": "You don't need a weatherman to know which way the wind blows." Noting that summer attendance (June–August 2003) at theaters participating in the GSTA Attendance Reporting program was running at 88 percent of the three-year average and 86 percent of the previous year, Day said, "You don't need a panel of industry veterans to tell you what the state of the giant screen industry is." He also stated that "today is a day for focus and hard work," saluting GSTA's efforts to enhance the economic success of the business. During the Q&A after the presentations, Day explained that as a producer, distributor and exhibitor, he is in a position to see the industry from all angles. As an exhibitor, he said, fewer films being presented at the conference this year is not a trend he likes to see, and he wants to exhibit in a way that provides better returns to producers.

Joanna Haas participated on the panel as director of the Henry Ford Museum IMAX Theater in Dearborn, Michigan. (Since the conference she has

PHOTOS BY JAMES HYDER. © 2003 BY CONFERENCES, LLC.



(Left) "State of the Giant Screen Industry" panel members Larry O'Reilly, Ben Stassen, Greg MacGillivray, Kevin Keller, Nick Yates, Joanna Haas and Mike Day.



(Right) Mary Kay Kennedy (WGBH Enterprises), chair of GSTA's Consumer Research Work Team.

represented, as were filmmakers of both traditional, educational films and films that are more commercially and entertainment focused. Each speaker was given just three minutes to present reflections on the current state of the industry.

Opening the session was Mike Day, executive director of the Omnitheater at the Science Museum of Minnesota (SMM) in St. Paul and a seasoned film producer, who quoted songwriting legend Bob

moved on to become director of the Carnegie Science Center.) Haas expressed that "a room of brilliant and persistent dreamers should be able to make incredible things happen in this industry." With an aggressive programming schedule of 10–12 films per year, Haas said she considers the Henry Ford IMAX Theatre to be a renegade, with a new way of looking at things, and hopes its success can inspire other markets and challenge distributors to look at new business

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models. Haas said her theater saw a 20 percent increase in attendance in 2002 and is tracking at the same rate for 2003.

Nick Yates, theater development director at Jordan's IMAX Theaters in Natick, Massachusetts, with the first and only theater housed in a furniture store, may be in the most atypical situation of any theater director in the business. Jordan's Furniture is a New England icon and boasts the highest sales per square foot of furniture in the U.S. Next year Jordan's will open a second giant screen theater just 25 minutes away in Reading, Massachusetts. Yates reflected that unique factors have contributed to Jordan's success, but its success is not easily replicated. While located in a commercial setting, 72 percent of the theater's programming is devoted to traditional, educational giant screen films, with 80 percent of its net income derived from those traditional 15/70 films. Twenty-eight percent of Jordan's programming schedule is devoted to IMAX digitally remastered (DMR) product.

Yates went on to say that he has embraced change, particularly the introduction of DMR and digital filmmaking, and will analyze the results carefully. He took issue with distributors who have overaggressive programming demands but noted that "sometimes they're right." Yates likened the giant screen industry to "working in the Wild West of film," and summarized that the future depends on the quality of films meeting the quality of the experience, a better understanding of the guests, effective marketing and embracing change.

Panel presenter Kevin Keller is vice president of film at Regal Entertainment Group, which was formed last year through a merger of Edwards Theatres, United Artists Theatres and Regal Cinemas. According to the company's web site, Regal is the largest motion picture exhibitor in the world, operating 6,119 screens in 562 locations in 39 U.S. states. Regal currently operates 15 giant screen theaters in the U.S. and will open four new venues in the next few years. Keller acknowledged that while Regal currently counts on commercial film, with DMR playing a major part in that, it would like to grow its educational and groups sales areas. Keller also pointed out that in the past, 35mm commercial theater operators were wary of the growth of ancillary film markets, such as VHS and DVD, but that additional revenue from these markets has made

more capital available for film production. He hopes the same is true for the giant screen film industry.

Industry veteran Greg MacGillivray of MacGillivray Freeman Films recalled that he was asked to give a five-year projection at a similar session during the 1998 conference and admitted that many of the things he predicted then never came true. However, when he and others sounded the alarm five years ago that the industry was headed for troubling times, many thought the alarm was foolhardy. MacGillivray also stated he thinks the giant screen film industry should be a quality-based, high-ticket business, much like Tiffany's or Porsche, and appeal to the wealthy and well educated. To increase audience numbers, he said, the industry should build on its strengths—it should be special both technically and artistically, and not try to be located in every mall.

MacGillivray went on to say that the most dependable and healthiest long-term business model is "the one that's worked for 25 years: producers, supported by grants, underwriting and sponsorship, make socially enriching, documentary-style, high-quality, 35–45 minute films for theaters that treat these films like exhibitions, showing them 750–1,000 times over a 9–12-month period and advertising them as if their life depended on it. Because it does."

nWave's always candid Ben Stassen humorously prefaced his comments with the observation that his colleague, Mark Katz, would have to spend the rest of the conference doing damage control as a result of his comments. Stassen stated that giant screen 3D "is the most significant evolution since the beginning of cinema" and that giant screen film production is in a far worse situation than anyone wants to admit. He estimated that 96 full-length giant screen films had been released in the last six years and did a film-by-film analysis of budget versus income for these films (not including grants or sponsorships). By Stassen's calculation, every single theater, for every year in the last six years, would have needed to attain 150,000 additional admissions to cover the cost of production. He estimated that with 96 full-length giant screen films released in the last six years, independent producers have lost more than \$250 million, and that the total profit made by profitable films is less than \$50 million. He pointed to the success of *Everest* as the catalyst for Hollywood's foray into giant screen filmmaking,

which resulted in a downturn for the independent giant screen filmmaker.

Stassen also calculated that between *Star Wars: Episode II Attack of the Clones*, *The IMAX Experience*, *Treasure Planet*, *The Lion King*, *Ghosts of the Abyss*, and *The Matrix Reloaded: The IMAX Experience*, 890 free film prints had been given away in the last year. The 350 licenses for these free prints have generated \$55 million, or \$150,000 per license. If independent producers got that, he said, they would be “kicked out the door.” He also noted that the total revenue of these films is less than the per screen average of *Fantasia*.

The solution, Stassen mused, is that DMR must fail, Disney must go away, and then we wait for the carnage to end to see who is left to go back into battle. “There’s nothing evil about DMR per se,” he said. “It’s about the business model.” Stassen went on to say that he respects Disney because “they’ve tried it all,” but the Hollywood way does not work in this business.

The final presenter of the session was IMAX Corporation’s Larry O’Reilly, senior vice president of theater development and film distribution, who stated there are different types of theaters with different needs. He also observed the industry is slow to change and needs to move quicker to take advantage of opportunities and grow the business. When 90-minute giant screen films were introduced with *Titanica* and *Rolling Stones at the Max*, the industry was in an uproar, he said, but the 90-minute film opened up opportunities for evening programming at institutional locations, introducing a new audience and revenue stream. O’Reilly noted that IMAX has always positioned DMR as a programming option, and for those theaters where it’s a good fit, it’s proven to be a good option. He also said there are many opinions, but the industry must stick to the research, noting that IMAX research indicates loyal IMAX viewers give DMR the highest ratings of all people who see those films, and that 30 percent who go to DMR films have never been to an IMAX theater before.

O’Reilly speculated that multiplex theaters will see the biggest growth in the future, and that programming decisions will be based on market demand, mission, economics and budget.

He emphasized that IMAX remains committed to original production, referencing the upcoming films *NASCAR 3D* and *Magnificent Desolation*. O’Reilly also indicated that IMAX will support studios to bring Hollywood event films to the giant screen medium.

During the Q&A period, Goulam Amarsy of Primesco asked whether DMR had led to audience confusion of what the IMAX brand stood for. MacGillivray interjected that, in his opinion, when Cinerama began to produce Hollywood content, audience confusion led to its downfall.

Romi Shutzer, IMAX’s vice president of corporate marketing and communications, countered that IMAX is known for immersive, extraordinary entertainment experiences, regardless of content. The IMAX brand does not stand for content alone, she said, and pointed to research conducted by IMAX that indicates people are coming to see IMAX films because of the experience.

With so many factions of the industry present at the session, it was clear that no consensus would be reached. Perhaps the biggest round of applause at the session was received by Haas when she said, “The industry needs to play together a bit better and be open to the diversity of all things that are possible.”

ADDITIONAL SESSIONS

Two of the professional development sessions were conducted using the World Café communication model, during which discussion groups, each with four participants, worked through questions raised by the session moderator. “Educational Materials Part III: Measuring Effectiveness in Education,” led by Tracey Guiry of the IMAX Theatre at-Bristol, was a continuation of discussions which began at last year’s conference in Toronto and the Committee Midwinter meeting in Tampa, Florida. The discussion was focused on growing the success of the giant screen film experience for lifelong learning and determining additional research GSTA should pursue in developing best practices for educational materials.

Wit Ostrenko of the Museum of Science and Industry in Tampa, Florida, and Libby Lewis of the Liberty Science Center in Jersey City, New Jersey, moderated “Critiquing Giant Screen Films.” This session also was conducted using the World Café method, with discussions focused on what makes a

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(Far left) Alice Casbara (MacGillivray Freeman Films); Tim Aydelott (New Mexico Museum of Natural History); Brenda Tremblay (Science North) and Frank Corcoran (Canadian Museum of Civilization) at the World Café-style educational materials session.

(Left) At the "National Science Foundation Learning Workshop" NSF's Hyman Field observed that the trend of lower attendance is forcing the industry to find ways to improve.

great giant screen experience and how the success of the experience should be measured. The input from these two sessions will be used during the GSTA board strategic planning session in February to map out the issues, goals and objectives and to create an action plan on how to continually address these issues.

"The National Science Foundation Learning Workshop" was lead by Hyman Field, NSF's senior advisor for public understanding of research in the division of elementary, secondary and informal education. The NSF began funding giant screen films in 1991 and since then has supported 13 films with a total of \$35 million. Field described the two-step proposal process and the project elements the panel looks for when reviewing proposals. For the 2003 fiscal year (October-October), the NSF has requested \$55 million from the U.S. Congress to fund film, television, exhibits and community-based projects. However, since grants awarded are used to fund projects over multiple years, only a portion of the entire amount NSF is allocated each year goes toward the funding of new projects. Field also said that while the NSF looks for projects that impact primarily U.S. audiences, since the grants are funded through U.S. tax dollars, he is advocating the NSF broaden its scope because he feels that science is international. Field closed his session with the observation that the industry trend of lower attendance is forcing the industry to find ways to improve.

TECHNICAL SESSION

Many of the presentations at the technical session highlighted advances in digital technology. David Keighley of DKP 70MM Inc. presented side-by-side comparisons of footage from *Everest*, with half the screen showing a traditional IPIN process dupe and the other half showing a digital dupe. The majority of audience members were able to tell the difference between the two, and Keighley admitted that the process hasn't been perfected to the point where it

can be used for an entire film, but the quality is sufficient to use on trailers. Keighley noted that the *NASCAR 3D* trailer is the first digital 3D trailer.

Paul Panabaker presented an update on IMAX technical services, including the IMAX service partnership program, which allows theaters to reduce their maintenance costs by qualifying their own technicians to service their systems. IMAX also will introduce the IMAX Quality Award (IQ) to recognize projection staff who consistently deliver quality presentations.

Peter Parks of Image Quest 3-D described the technical innovations developed to micro-zoom up to 400X magnification during the filming of *Bugs!* On the giant screen, that equates to 500,000X magnification.

Beverly Pasterczyk of Eastman Kodak Company introduced the Kodak Vision 2 500T Film, 5128, pronouncing, "Film is not dead." The new emulsion technologies, she said, result in much less grain and a more truthful image for filmmakers.

Rick Gordon of RPG Productions Inc. presented what he called "not so special effects," which he defined as everyday digital effects that enhance normal photography and, if done right, are undetectable by audiences. Gordon showed a number of examples, including some from *The Young Black Stallion* where horse trainers and camera crews had been eliminated from shots and where scenes shot during the day were used in the film as night shots. Gordon also showed special effects work done on a green screen image from *Bugs!*

Chris Reyna of Imagica USA and visual effects supervisor Sean Phillips discussed the digital intermediate process used to complete *Roar: Lions of the Kalahari*. The process creates a digital pipeline that allows material to originate in one source and be converted to any format desired. The process is different from DMR in that DMR is done on film that's already been mastered. Digital intermediate is part of the actual production process and allows filmmakers to

shoot day for night, design color, add heat haze and dust to help integrate scenes, stabilize shots and adjust framing. The process is essential to 3D filmmaking, they said, because it can correct shot alignment.

Reyna also presented test footage that had been shot by Tim Housel using the world's first prototype 4K digital camera system from Olympus.

Robert Dennis of Consolidated Film Industries screened footage from Al Reinert's 1989 documentary *For All Mankind*. Reinert's film had used 16mm NASA footage from the Apollo missions, and he had come to CFI with a 35mm negative to see if they could blow it up to 15/70.

Greg MacGillivray presented footage captured with a lightweight 15/70 camera that allows camera operators to get shots from places where a heavier, more cumbersome camera couldn't be used. He also showed footage shot with a cable cam that is mounted to a wire dolly which allows filmmakers to get aerial views not accessible by helicopter.

FEWER FILMS ON THE SLATE

Eleven new feature films and 3 shorts were screened in Glasgow, down from 17 full-length and 5 shorts on last year's schedule. Features included Buena Vista Pictures Distribution's *Ghosts of the Abyss*, *Sacred Planet* and *The Young Black Stallion*; Destination Cinema's *Roar: Lions of the Kalahari*; Giant Screen Films' *Our Country*; MacGillivray Freeman's *Coral Reef Adventure* and *Top Speed*; nWave Pictures' *Misadventures in 3D*; SK Films' *Bugs!*; Texas State History Museum's *Texas: The Big Picture* and the Stephen Low Company's *Volcanoes of the Deep Sea*. Shorts included *Home of Freedom*, the signature film produced for the Franklin Institute Science Museum in Philadelphia; *Stage Fright* from film student Mark Bethune and *Falling in Love Again* by Munro Ferguson.

For the second year in a row, wireless keypads were distributed to film buyers during the "Films in Progress" session. GSTA implemented this confidential evaluation system in 2002 to allow film buyers to provide feedback to film producers, and this year the program was expanded to include "Films in

GSTA extends its sincere appreciation to the following sponsors for their generous support of the 2003 conference:

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Development." GSTA provides results from the sessions to the individual film producers after the conference. Films in development were presented in the theater this year, with producers given the opportunity to discuss their new projects and show video or slides. In previous years, films in development were presented at tables set up outside the trade show.

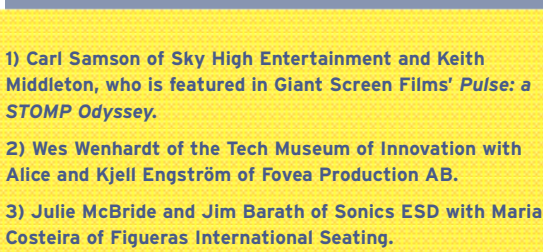
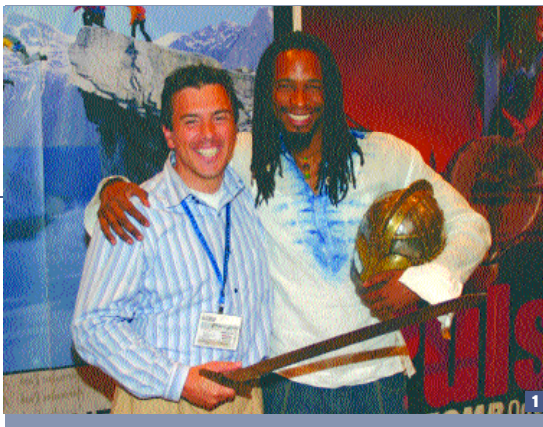
In addition to *Sacred Planet* and *Roar: Lions of the Kalahari*, which were both presented as new films, only nine other films presented during "Films in Progress" and "Films in Development" are slated for a 2004 release: Stephen Low's *Air Force: The Battle for Red Flag*; Destination Cinema's *Forces of Nature*; IMAX's *NASCAR 3D*; Kalpesh Bhatt and Keith Melton's *Mystic India*; Inland Sea Productions' *We the People*; Sky High Entertainment and Giant Screen Films' *Vikings*; Partners New Ventures and nWave Pictures' *Brain Power*; Rigaud Production's *Flying Cars*; and Cinegroupe's *P3K: Pinocchio 3000*. Twenty films are due for release in 2005 and 2006.

WHAT'S NEXT?

GSTA will hold its 2004 biennial board strategic planning session February 3-5 in Berlin, Germany, with the Committee Midwinter meeting following February 5-7, also in Berlin. This year, the meetings coincide with the Euromax Filmmakers Symposium, which is being held in Berlin February 7-10. During the intensive two-day planning session, the GSTA board of directors will conduct an analysis of the association, map out the goals and objectives, and create an action plan which will then be used as a work guideline for the GSTA executive committee, board of directors, committee members and staff. The board also will consider ways to implement the findings of the recently completed consumer research and determine the next phases of research.

GSTA's 2004 International Conference and Trade Show will be held September 9-13, 2004, in Montréal, Québec, Canada, and hosted by the Montréal Science Centre/IMAX Theatre at the Old Port. ■

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2003 CONFERENCE IN PICTURES

- 1) Carl Samson of Sky High Entertainment and Keith Middleton, who is featured in Giant Screen Films' *Pulse: a STOMP Odyssey*.
- 2) Wes Wenhardt of the Tech Museum of Innovation with Alice and Kjell Engström of Fovea Production AB.
- 3) Julie McBride and Jim Barath of Sonics ESD with Maria Costeira of Figueras International Seating.
- 4) Rick Gordon, Alison Bush and Judd Monoson of RPG Productions, Inc., with Imjin Kim of 63 City Corporation.
- 5) Kazuyo Takehara of Dentsu Tec with Libby Lewis and Emlyn Koster of Liberty Science Center.

PHOTO: KELLY GERMAN

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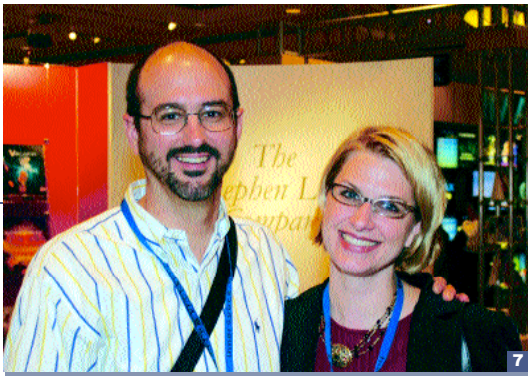


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6) GSTA President David Mosena, Museum of Science and Industry, and GSTA Vice President Emyln Koster, Liberty Science Center.

7) Robert Dennis of CFI and Mary Kaye Kennedy of WGBH Enterprises.

8) Simon Jones of the IMAX Theatre at-Bristol and Wayne LaBar of Liberty Science Center.

9) Jim Walker of the Texas State History Museum and Paul Panabaker of IMAX Corporation.

10) Haytham Al Bader, Nouriya Al Fadhel, Mijbil Almutawa and Marco Markovich of the Scientific Center of Kuwait.

11) Antonietta Pennella and Charlotte Huggins of nWave Pictures Distribution.

12) Alex Page, Alex Patrick, Stephen Caulfield and Alison Kirk of the Science Museum, London.

13) Kate DeCesare of Eden Leisure Group, Francois Mantello of 3D Entertainment and Gavin McKinney of Gavin McKinney Productions.

14) Geoff Holliman of Loch Lomond Shores and Paul Holliman of Buena Vista Pictures Distribution.

15) Tina Ratterman of Giant Screen Films and Michael Boeckmann of the Science Museum of Minnesota.



PHOTO KELLY GERMAIN