

FILM MARKETING  
&  
THE CREATION OF THE HOLLYWOOD BLOCKBUSTER

by  
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This thesis is dedicated to my favorite fellow cinephile - my  
brother and best friend Brock.

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## ABSTRACT

### COLTON JORDAN HERRINGTON – Film Marketing and American Cinema: The Creation of the Hollywood Blockbuster

The purpose of this study is to trace the Hollywood blockbuster from its roots, gain insight into how Steven Spielberg's *Jaws* and George Lucas' *Star Wars* ushered in the "Blockbuster Era", and explore how the blockbuster has evolved throughout the subsequent decades into its current state. This case study uncovers the intertwining relationship between revolutionary film marketing tactics and the creation of the blockbuster as a genre and strategy and observes how increased costs of film marketing and the rise of ancillary markets and new media have led to a contemporary slate of blockbusters alternately different and similar from those in earlier decades. The study also suggests that the blockbuster and the film industry as a whole may be on the verge of a new film revolution.

(Under the direction of Dr. James Lumpp)

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*“The making of blockbusters is the newest art-  
form of the 20<sup>th</sup> century”*

~

Robert Evans, producer of *The Godfather*, to *TIME* magazine  
in 1974

## CHAPTER I: AN INTRODUCTION

At barely a century old, the United States film industry has experienced an enormous amount of change since its inception with the 1915 release of its first feature-length film: director D.W. Griffith's *The Birth of a Nation*. Along with this release, an eventual multi-billion dollar industry was born. (Koszarski, 1 – 8)

In the almost one hundred years of cinema to follow, show stopping films such as 1939's *Gone with the Wind*, 1975's *Jaws*, and 2012's *The Avengers* have become ingrained in popular American culture, defining their respective generations and inspiring generations of moviegoers to come.

Besides inhabiting a special corner in American cinema history, what do all three of these films have in common? These films each achieved enormous national and commercial success, and subsequently, can be described as blockbusters – though *Jaws* holds the distinction as being the first blockbuster in the modern sense and *Gone with the Wind* as a blockbuster prototype, critical to the development of the genre. (Shone, 27 – 29)

Although the word “blockbuster” is now a staple of pop culture vocabulary, its exact origin can be traced back to extreme circumstances. During World War II, newspapers described the massive bombs utilized by Allied forces as “blockbusters” because they had enough power to level entire city blocks. Before long, the word became synonymous with anything deemed powerful or as a force to be reckoned with.

*Variety* – a magazine centered on the entertainment industry – began using the term as early as 1951 to describe movies generating impressive profits, but it wasn't until the release of *Jaws* in 1975 that the term entered mainstream vocabulary as the descriptor of choice for films succeeding on a large scale.

(Acland, 11 - 13)

A film can be considered a blockbuster when it combines a huge production budget and an extensive marketing campaign to generate enormous box-office receipts. Although it is important to note that with early blockbusters, both production and marketing budgets were considerably smaller when compared to similar current fare.

Regardless, with such large sums of money involved, much is at stake for every company involved at each stage in a respective blockbuster's production, promotion, and release: distributors, producers, studios, exhibitors, and any mix of the four imaginable.

While common sense would suggest that marketing a film – essentially, making people aware that the product exists – would ensure its success, the first intensive marketing strategy was not utilized until 1975 with the release of director Steven Spielberg's *Jaws*.

Ever since, though, and just as the forceful nature of its namesake suggests, blockbusters have emerged as a powerful, almost unstoppable force in modern cinema, becoming a genre in their own right.

Before jumping into Spielberg's shark-infested waters that gave rise to the genre proper, the evolution of the blockbuster begins with a story set in the American South of the 1860s.

## A. THE BLOCKBUSTER PROTOTYPES

As mentioned before, American cinema as an industry dawns with *The Birth of a Nation* in 1915, and while this motion picture can be distinguished as the first prominent feature film, the true prototype of the American blockbuster lies in another American epic: *Gone with the Wind*. (Shone, 30)

Directed by Victor Fleming and produced by David Selznick, *Gone with the Wind* immortalizes the American South before, during and after the Civil War. It remains a box office success today and a permanent fixture in classic American cinema. Its success can be owed somewhat to Fleming and Selznick's marketing tactics, but mostly to America's theater culture that existed at the time.

In 1939 – the year of *Gone with the Wind*'s release – forty-six percent of the United States population attended movie theaters weekly. (Moul, 122) Because of these moviegoing habits, marketing a film in the modern sense was not really necessary during the period of time in which *Gone with the Wind* achieved so much success. Even so, Selznick's company Selznick International Pictures and partner Metro-Goldwyn-Mayer (MGM) still utilized an extensive (for the time) marketing strategy.

While simple newspaper ads were common fare when marketing a film during the time period, Selznick International and MGM created a nationwide publicity stunt in which open casting calls for the starring role of Scarlett O'Hara were planted in major newspapers. In a move that served to build buzz and early word of mouth, thousands of women auditioned in cities across the United States, in spite of actress Vivien Leigh already being cast as the character. (Shone, 28)

By the time of the premiere on December 15, 1939, at the Loew's Grand Theatre in Atlanta, Georgia, hype for the film had reached soaring heights. Georgia Governor Eurith Rivers declared that day a statewide holiday, and festivals and balls occurred around the city. An estimated 300,000 Atlantans and visitors lined the streets for up to seven miles to enjoy a parade that consisted of the director and stars of the film heading to the theater for the premiere. (*TIME*, 1939)

The combination of the moviegoing culture and clever marketing tactics yielded enormous and enduring success for the film. As of 2014, *Gone with the Wind* has accumulated almost \$200 million at the domestic box office, and when adjusted for inflation, the film ranks as the highest grossing among all domestic films with \$1,640 million earned. While this number incorporates the revenues generated from the countless theatrical rereleases of the film throughout the decades following its initial release, the film was still the highest grossing film of all time for over twenty years. (Box Office Mojo, C)

*Gone with the Wind* is still not considered a true blockbuster despite having many of the necessary credentials. By its unadjusted numbers – which is the main tool that contemporary studios and analysts use – the film ranks at only one hundred and fifty-two among all domestic releases. (Box Office Mojo, D)

However, *Gone with the Wind* is not the only film to be dethroned from the top ten highest grossing films – and potential blockbuster status – because of inflation and the lack of a complex multi-media marketing campaign. Walt Disney's *Snow White and the Seven Dwarfs* (1937), Paramount's *The Ten Commandments* (1956), 20<sup>th</sup> Century Fox's *The Sound of Music* (1965), and Metro-Goldwyn-Mayer's *Doctor Zhivago* (1965) all rank in the top ten when domestic grosses are adjusted for inflation, but disappear in unadjusted rankings.

It is also important to note at this point that the box office grosses of any film released before 1980 are strictly well-informed estimates, but these numbers are still considered industry standards. Also, many of the following films have experienced various rereleases throughout the years; so final domestic numbers may not match with the numbers discussed chronologically throughout the text, which mostly focuses on the original box office totals of the first, original release unless stated otherwise. (Box Office Mojo, B)

The unadjusted and adjusted top ten highest grossing films in the domestic market are shown in Figures 1 and 2.

Figure 1

<b>Top 10 Domestic Highest Grossing Films - Unadjusted</b>			
<b>Rank</b>	<b>Film</b>	<b>Total Gross</b>	<b>Year</b>
<b>1</b>	<b>Avatar</b>	<b>\$760.51</b>	<b>2009</b>
<b>2</b>	<b>Titanic</b>	<b>\$658.67</b>	<b>1997</b>
<b>3</b>	<b>Marvel's The Avengers</b>	<b>\$623.36</b>	<b>2012</b>
<b>4</b>	<b>The Dark Knight</b>	<b>\$534.86</b>	<b>2008</b>
<b>5</b>	<b>Star Wars: Episode I - The Phantom Menace</b>	<b>\$474.54</b>	<b>1999</b>
<b>6</b>	<b>Star Wars</b>	<b>\$461.00</b>	<b>1977</b>
<b>7</b>	<b>The Dark Knight Rises</b>	<b>\$448.14</b>	<b>2012</b>
<b>8</b>	<b>Shrek 2</b>	<b>\$441.23</b>	<b>2004</b>
<b>9</b>	<b>E.T.: The Extra-Terrestrial</b>	<b>\$435.11</b>	<b>1982</b>
<b>10</b>	<b>The Hunger Games: Catching Fire</b>	<b>\$424.67</b>	<b>2013</b>
<b>*Grosses are in Millions USD</b>			

Source: Box Office Mojo

Figure 2

Top 10 Domestic Highest Grossing Films - Adjusted			
Rank	Film	Total Gross	Year
1	Gone with the Wind	\$1,640.60	1939
2	<b>Star Wars</b>	<b>\$1,446.33</b>	<b>1977</b>
3	The Sound of Music	\$1,156.41	1965
4	<b>E.T.: The Extra-Terrestrial</b>	<b>\$1,151.86</b>	<b>1982</b>
5	<b>Titanic</b>	<b>\$1,100.05</b>	<b>1997</b>
6	The Ten Commandments	\$1,063.72	1956
7	Jaws	\$1,040.00	1975
8	Doctor Zhivago	\$1,007.98	1965
9	The Exorcist	\$898.07	1973
10	Snow White and the Seven Dwarfs	\$885.08	1937
*Grosses are in Millions USD			

Source: Box Office Mojo

As seen with Figures 1 and 2, adjusting the box office totals yields dramatic differences, with only three films appearing (in red) on both lists: *Star Wars: Episode IV - a New Hope* (commonly referred to simply as *Star Wars*), *E.T.: The Extra-Terrestrial*, and *Titanic*. Most interesting is the absence of *Jaws* from the unadjusted list, which as the seminal blockbuster should theoretically be in the top ten of both lists.

The films present in the adjusted list, which – aside from *Jaws* and *Titanic* – all represent a prototype of the modern blockbuster. These films had universal appeal, ranging from historical epics – *The Ten Commandments* (1956), and *Doctor Zhivago* (1965) – to films aimed at children – *Snow White and the Seven Dwarfs* (1937) and *The Sound of Music* (1965) – to “event” films – *Gone with the Wind* (1939) and *The Exorcist* (1973). These films were fervently enjoyed by the masses, earning huge box office receipts, and in the case of *Snow White*, even

inspiring theme park attractions. Yet, only one of these films is singled out as the seminal blockbuster: 1975's *Jaws*.

Why does *Jaws* get the honor? The answer lies in the marketing.

## B. THE ESSENTIALS OF FILM MARKETING

At this point, it is pivotal to note that the following overview of a typical blockbuster's marketing strategy and campaign tactics is the current norm, the result of decades of blockbusters that have assisted in revolutionizing the template. The chapters to follow will highlight the films, individuals, and studios responsible for the current strategy.

With that said and before we take the plunge into what makes *Jaws* so special, a basic understanding of film marketing as it is today must be acquired. Although film marketing does originate from textbook marketing principles, there are several elements unique to the motion picture industry. (Moul, 103)

At its core, the term film marketing applies to any tool or tactic used to promote and generate awareness for a film among its target audience at any point in its lifetime – from the prerelease and theatrical run to home video release and rentals. To reach the proper audience, a strategy must be designed that positions the film properly, captures audience attention, and utilizes the marketing tools appropriate to the target. Usually, devising and executing a marketing strategy for a film begins several months in advance of the opening weekend to ensure successful and timely placement on the correct mediums. (Durie, Pham, & Watson, 5-6)



At each stage of the film's life cycle, marketing's importance varies, with most efforts focused on the months, weeks, and days preceding a film's opening weekend. Depending on the film's initial box office performance, marketing can continue in lessened forms (if successful) or cease altogether (if unsuccessful) until the week or so preceding release on home video – which typically occurs two to three months after the film's theatrical run ends.

Over this period of a film's lifetime, several different marketing tools are employed. These marketing tools can be divided into four specific areas: research, paid advertising, publicity, and promotion. (Jowett & Linton, 58)

### RESEARCH

Before a marketing campaign can be put into effect and before most creative pieces can be engineered and released to the public, market research must be done. While research goes into the pre-production of films – before films are even cast or shot – this section will concentrate on the research done that is relevant to formulating the marketing strategy, which can be broken down into four groups: test screenings, creative testing, tracking surveys, and exit surveys. (Marich, 45)

Test screenings are the first steps in researching for the advertising campaign, done before creative materials are even engineered. In this step, distributors organize test screenings of an unfinished or finished film for random or specifically selected volunteers to gauge audience reaction to specific elements in the film and to the film overall. In this stage, the distributor can be made aware of any areas of the film that need to be reedited, clarified, or even reshot if

time allows. This stage also reveals which elements of the film resonate the most with viewers, which plays a key role in the next stage.

Creative screening is done once information is gathered from test screenings. Through analyzing the audience information from the previous stage, various creative materials – posters, movie trailers, etc. – are shown to focus groups, whose reactions are tested to see which materials are most effective. Those chosen will be utilized in the campaign. (Marich, 44-45)

Tracking surveys or analysis are also done before a film's release. Through third-party sources like Rentrak and Nielsen, a distributor can monitor the online mentions of the upcoming film across social media, news outlets, and blogs. Other companies can also reach out to select consumers firsthand through actual surveys. This information can be deciphered in such a way, that opening weekend box office numbers can even be estimated weeks before release, allowing the distributor to increase marketing saturation to increase awareness, level out saturation, or to prepare the studio for a potential failure. (Marich, 45)

The final research to be done comes in the form of exit surveys at select locations during a film's opening weekend. The exit surveys monitor consumer satisfaction, which functions to uncover whether the distributor can expect negative or positive word-of-mouth and which marketing tactics were most effective. It also monitors the demographics of the film's audience. With this information, the studio can decide to continue marketing the film or to cut its losses and focus on the next project. Because ninety percent of a film's marketing budget is generally spent before a film is even released, the remaining ten percent can be saved and allocated to a different project in case of failure. (Young, Gong, Van der Stede, Sandino, & Fei, 37)

## PAID ADVERTISING

The second marketing tool is paid advertisements. Paid advertisements include any bought space or time on the major advertising mediums. The traditional mediums include newspaper ads, radio spots, and theater signage – which include one-sheets, door panels, and lobby cards. These generally feature distinct imagery from the film, showcase the film’s star power, and incorporate a clever tagline, much like a consumer brand and its slogan. (Marich, 9)

Movie trailers – named because they originally occurred at the end of a feature film – are generally a less-than-two-minute overview and summary that show the stars, story, and memorable scenes to generate interest for a film. Trailers now precede a feature film at the theater, and since the advent of the television, can be condensed into thirty-second to sixty-second commercial spots to air on whichever network or during whatever program that most closely aligns to the target audience. (Moul, 123-124) In the digital age, trailers can be shared through social media, used as advertisements on high-traffic sites, act as the focal point of a film’s website, and inhabit sites dedicated to video content, such as YouTube. (Marich, 117)

Digital is also the only medium that actively encourages audience interaction and facilitates viral marketing – or a creative piece that spreads through culture in a unique, interesting, or exciting way. (Young et al, 37) Digital generally demands five to twenty percent of a film’s marketing budget, skewing lower or higher depending on the target demographic. (Marich, 118)

Outdoor signage – billboards and transit shelter signage – have also become increasingly popular because of their wide exposure. However, television

overwhelmingly remains the prime medium for most film marketing campaigns, even since the advent of the Internet and popularity of mobile devices.

Figure 3

<b>Movie Advertising Spending by Medium, 2010</b>		
Medium	Percentage	Advertising Cost
Network TV	35.8	\$1,279.50
Cable TV	25.9	\$926.70
Spot TV	5.5	\$198.40
Syndicated TV	3.4	\$121.10
Spanish-language TV	2.4	\$84.60
Newspaper	14.7	\$525.50
Internet display	4	\$142.50
Outdoor	3.7	\$133.70
Radio	2.9	\$103.30
Magazines	1.7	\$60.50
<b>TOTAL</b>	<b>100</b>	<b>\$3,574.80</b>
<b>*Advertising Costs are in Millions USD</b>		

Source: Kantar Media via *Vanity Fair*

According to a study done by Kantar Media in 2010 shown in Figure 3, film studios and distributors dedicated a whopping seventy-three percent of their respective advertising budgets to television advertisements, as seen in the figure above. The simple reasoning behind this overt favoritism stems from television potentially guaranteeing as wide an audience as possible when compared to other mediums. (Marich, 83)

The advertising dollars poured into the five different types of television identified reach over \$2,610 million USD (Kantar), which is twenty-five percent of the entire 2010 domestic box office revenues (\$10,206 million USD). (Marich, 2011)

Surprisingly, the next largest expenditure on advertising includes newspapers at almost fifteen percent of the budget. However, the most baffling result of this study shows the lack of funding on digital mediums and radio, with the reason for the lack of digital funding being the unwieldy and fickle nature of Internet users (Marich, 115) but more than likely the simple fact that digital advertising is much cheaper due to the shareable nature of the web. Essentially, if a film's online content is creative and entertaining enough, the audience can do the bulk of the campaigning for the distributor.

Overall, the total film advertising expenditures for 2010 reach a number equivalent to thirty-five percent of all domestic box office grosses, which reduces actual returns from the domestic box office to around \$6,600 million. (Box Office Mojo, G)

### PUBLICITY

Publicity comes in as the third marketing tool and is generally seen as the most cost-effective but most unpredictable. Publicity – also referred to as earned media – is essentially free advertising because a movie release is considered newsworthy, especially when the director, stars of the film or film concept are popular and prominent. Publicity can include cast interviews on talk shows and various news outlets, creative and extensive publicity stunts – like the one described for *Gone with the Wind* – and heavy coverage of the respective film's elaborate red-carpet premiere. (Jowett & Linton, 58 - 59)

Publicity also includes coverage from professional critics, who often get early looks into high-profile films at festivals, press screenings, and the film's world premiere that most often occurs before the public release.

However, if research has indicated that a film may not be very good, the filmmakers generally decide to restrict any critical reviews on the film until the day of wide release.

Generally, the most publicity occurs in the few weeks before a film's release. (Marich, 211)

### PROMOTION

Film promotion generally refers to movie tie-ins, product placement, merchandising, and word-of-mouth. (Jowett & Linton 59) Essentially, movie tie-ins include a partnership with companies in licensing and cross-marketing deals, such as action figures from a superhero film included in children's meals at a fast-food restaurant. The reasoning behind this method lies in the benefits found on both sides of the relationship. The company hopes to increase sales based on the popularity of a film and the subsequent demand for the children's toy, and the film distributor (or whichever entity retains licensing rights) aims to maximize awareness by associating itself with an established brand, like a fast food restaurant. (Marich, 147)

Another tool used in film promotion involves product placement. With product placement, brands will finance the production of a film to have one of its products displayed prominently in or more scenes of the movie, hoping to market to the millions of viewers that will potentially view the film. As one of the earliest tools in film marketing, product placement can be traced as far back as the 1927 silent film *Wings*, which incorporated Hershey's into a memorable scene.

Merchandising also falls into this category. Merchandising consists of a film producing a line of merchandise to sell in partnership with a toy making company, i.e. Hasbro or Mattel. Merchandise can include clothing, action figures,

board games, video games, posters, soundtrack CDs, home video (both digital and physical), and even video rentals (now largely defunct). Depending on the film, merchandise (including the home video release) can generate a much greater profit than actual box office receipts, and this success along with box office revenue can result in a sequel to the film or even the beginnings of a true blockbuster franchise.

Film promotion can also include contests and sweepstakes sponsored by the distributor generally in partnership with a company or companies with similar goals and values. Such contests and sweepstakes can include cash prizes, a trip to the film's worldwide premiere, or a meet-and-greet with the film's cast. (Marich, 151 – 152)

While word-of-mouth generally is most effective after a film's initial national release, distributors also aim to build buzz in the weeks preceding the film's release. Some particular methods employed include holding exclusive early screenings for the target audience in select cities and inviting influential bloggers and social media trendsetters to cover similar, "exclusive" screenings. If the film resonates with these early audiences in a positive way, constructive word-of-mouth can begin and spread at a grassroots level even before the film is released. (Marich, 153)

The four areas of film marketing outlined above can occur in two ways. Generally, a major studio can produce and distribute entirely on its own, so it also exercises complete creative control over the marketing process.

While this is traditionally the most common method for marketing a film, since rising costs beginning in the eighties there has been an increase in partnerships for the filmmaking and marketing processes. In this way, costs are reduced, and by spreading the expenses, liabilities also decrease. This method

generally includes a production company creating a film and selling its rights to a distributor to market and promote the film, which in turn deals with the exhibitor.

The exhibitor is the theater and theater chains that will actually “exhibit” or show a film on behalf of the distribution company or studio. The distributor and exhibitor normally agree on a profit-sharing method and settle the release window for the film being discussed, which normally depends on certain conditions like satisfactory box office performance. (Young et al, 38)

While many independent films aim for just a few theaters for their opening weekend (hoping to expand through demand stemming from positive word-of-mouth), the blockbuster formula and the formula for many major modern releases is to release a movie in as many theaters as possible, also called a wide release. While the average theater count for the typical studio release in 2013 and 2014 was 2,886, contemporary blockbusters tend to hover around 3,000 screens.

Now that an understanding of the modern film marketing process has been established, the major roles of *Jaws*, *Star Wars* and various other films in influencing and developing today’s modern blockbuster strategy can be traced all the way back from the seventies.



## CHAPTER II: THE EMERGENCE OF THE BLOCKBUSTER ERA

Besides a few successful films – such as 1965's *The Sound of Music*, which dethroned *Gone with the Wind* as the highest grossing film to that point – Hollywood began struggling in the 1960s. The tried-and-true sprawling epics of the previous decades – *Gone with the Wind*, *The Ten Commandments* – were no longer automatic hits; 1963's *Cleopatra* – starring Elizabeth Taylor in the title role – had the budget of a blockbuster (\$200 million in today's dollars) without blockbuster box office receipts. In fact, the picture's disastrous performance almost bankrupted 20<sup>th</sup> Century Fox. (Smithee, 2001)

By 1971, national theater attendance levels had reached an all-time low, and the subsequent low profits had many once-prosperous studios barely managing to remain in business.

Many blame one culprit for the box office struggle that continued throughout the sixties and into the early seventies: television. With the combination of its relatively recent introduction into American households and soaring popularity, television had emerged as a very real threat to the motion picture industry. Consumers no longer had to leave the comfort of their own homes to be entertained by famous performers, comedians and the like. (Shone, 30)

However, where television emerged as major competition for movie theaters nationwide, it would also become the film industry's greatest ally. First, though, it would take two films to break the box office slump that had settled over Hollywood.

### A. THE TRAILBLAZERS OF THE SEVENTIES

Just after reaching an unprecedented low in 1971, the box office would begin a period of revitalization in 1972 with the release of Francis Ford Coppola's *The Godfather*. (Shone, 30-31)

While an effective marketing campaign is the key ingredient in any film's release, the success underlying *The Godfather* actually comes from another complex facet of film distribution, the previously discussed relationship with exhibitors. (Biskind, 1998)

Before 1972, films generally opened in one theater or theater chain in a single city, and remained playing in that location for several weeks. Eventually, the film would slowly expand to theaters in other major American cities, and after an even longer length of time, the films would find their ways onto the screens of small-town America. This process was slow and cumbersome, but the film could not expand until the original exhibitor gave it permission to do so, especially when the film is high profile. (Biskind, 1998) Films of this nature could expect to play for up to three months in one location before given wider distribution. (Smithee, 2001)

However, Paramount and *The Godfather* rejected this antiquated method and opened the film in five theaters in its opening week and an unprecedented

316 theaters in its second. While the marketing tactics for the film were purely traditional – Paramount relied heavily on newspaper ads – the release platform coupled successfully with the positive word-of-mouth the film generated. *The Godfather* became a sensation, grossing over \$86 million by the end of its domestic run. (Shone, 40) (This number does not take rereleases or modern inflation into consideration.)

In the wake of the success of *The Godfather*, by 1973 – just two years after box office attendance and receipts had reached a historical low – the movie industry was poised to regain the prominence it once enjoyed because of another box office success: *The Exorcist*.

While the marketing for the film was traditional and its release strategy was not revolutionary, William Friedkin's *The Exorcist* still played a pivotal role in reviving the appeal of an "event" film. An event film is a film that generates word-of-mouth and anticipation to the point that people not only feel compelled to see it but also they see it multiple times and with multiple people. (Simpson, 85-86) Audience members feel very engaged with event films, and subsequently, with one another in experiencing it together.

Thanks to attempts at banning the film in various communities across the United States on the grounds of it being the "embodiment of evil", *The Exorcist* found immense box office success, besting the records set the year before by *The Godfather*. In this case, enormous amounts of publicity and shock value lead to an ultimate domestic box office gross of over \$89 million for the horror film. (Pevere, 2003)

Because of the Italian mafia and a demon-possessed little girl named Regan, America was ripe for the picking by 1975: year zero of the Blockbuster Era.

## i. JAWS: THE ORIGINAL BLOCKBUSTER

Before the summer of 1975, Steven Spielberg was nowhere near being the household name that he is today, but as *Jaws* can attest, it was only a matter of time of time before he changed the film industry forever. (Smithee, 2001)

Given Spielberg's lack of experience (he had only directed one feature film the year before called *The Sugarland Express* starring Goldie Hawn), *Jaws'* status as the seminal blockbuster that ushered in the Blockbuster Era (Ferrara & Lumeau, 118) of Hollywood is astonishing. The film's production was riddled with issues, ranging from a budget that had increased to \$12 million (a bloated three-hundred percent over what Universal Studios had initially allotted) to a shooting period that extended from an initial fifty-five to an eventual one-hundred-and-fifty-nine days. The film also experienced extensive technical difficulties with the infamous mechanical shark that plagued production. In fact, the crew on the film jokingly referred to *Jaws* as "Flaws" throughout the making of the film. Despite so much being against the success of the film, *Jaws* still emerged victorious and claimed its crown as the quintessential blockbuster that it maintains to this day. But, why *Jaws*? (Smithee, 2001)

On the surface, the film does not seem to be very different from *The Godfather* and *The Exorcist* before it. All three come from a best-selling novel as source material and had modest budgets – the \$12 million production budget and \$4 million marketing campaign would be around \$40 million in today's dollars. (Smithee, 2001) An expense that is small compared to the data released by the MPAA in 2006 (the final year that such information was released), which revealed that the average cost of producing and marketing the average studio film reached

over \$100 million. Since then, it can be assumed that the expense has reached even higher. (Verrier, 2009)

Furthermore, *Jaws* does not even have the status as being the first event film of the seventies – that belongs to *The Exorcist*.

However, while *The Godfather* and *The Exorcist* both initially peaked under \$90 million in box office receipts in their original runs, *Jaws* ended its initial domestic run with an estimated \$124 million unadjusted gross. In spite of a production riddled with difficulty, *Jaws* managed to best its predecessors by over \$30 million. Its breakout success actually begins two years before its release, and is directly intertwined with a revolutionary marketing strategy. (Shone, 43)

In 1973, Universal began an intricate two-year marketing campaign for the eventual release of the film by announcing that producers Richard Zanuck and David Brown had acquired the rights to Peter Benchley's novel "A Stillness in the Water". From there, Universal routinely kept the press and those interested up to date with all major developments. When the film went into production, Universal had hundreds of members of the press sent to the filming destination, where over two hundred interviews with the cast (which included Richard Dreyfuss in the starring role) crew, and director were completed. (Jowett & Linton, 60)

Universal also coordinated a release of the paperback version of the novel – with the unmistakable *Jaws* imagery emblazoned on its cover – a full six months before the film's release, (Jowett & Linton, 61) which is the first time such a synergistic relationship had been created between source material and film.

Perhaps most intriguing was the studio's decision to release the film at the height of the summer. Before *Jaws*, the summer months were seen as the slowest time of the year in the motion picture industry. Essentially, these were "dead months", but the June 20 release would come to expose the full potential

audience that could be found during this period, consisting of idling teenagers and those who just wished to escape the summer heat. (Smithee, 2001)

But the most pivotal choice that Universal made regarded utilizing the film industry's biggest enemy: television. In a stroke of unprecedented genius, Universal allocated almost \$700,000 on a three-day television advertising campaign – complete with an almost universally recognizable score by composer John Williams – preceding the national release date. All of the major networks were saturated with thirty-second previews of the film during primetime hours (Smithee, 2001), with over 211 million American households potentially exposed. (Jowett & Linton, 59) Never before had a studio or distributor orchestrated a television campaign, but Universal had an even greater plan.

While *The Godfather* had extinguished the exhibitor exclusivity deal three years prior, that particular film still did not release nationwide on its opening weekend. *Jaws* became the first film to do so.

Originally scheduled to open at almost 900 theaters in its first weekend, (Shone, 26) Universal eventually settled on a still groundbreaking 464 theaters for the opening weekend, after test screenings in Dallas, Texas, and Long Beach, California, revealed that enthusiastic word of mouth would build the demand they desired to expand. The film broke box office records, earning over \$7 million during its opening weekend. By its third weekend, *Jaws* had expanded to 954 theaters. (Jowett & Linton, 59)

Never before had a film coordinated a television campaign with a wide release, and because of *Jaws*, the benefits of this synergy became obvious to all of Hollywood. Today, advertising on television is the main component of any film marketing campaign and is critical in building the awareness that leads to such large profits.

On top of the revolutionary release strategy and prerelease marketing campaign, Universal also devised a limited array of promotional merchandise. *Jaws* merchandise began with the release of the source novel that included reworked cover art featuring the film's poster. After the film's release, Universal produced and distributed t-shirts, posters and beach towels to support the film and to generate more profits from enthusiastic fans. While the official merchandising was sparse compared to blockbusters today, *Jaws* was still the first film to capitalize on its popularity in this way. The film also gave rise to another phenomenon unanticipated by Universal. (Shone, 35–36)

With the massive unprecedented success of the film came audience and fan participation unseen before. While *The Exorcist* was the first event film of the seventies, *Jaws* easily surpassed its predecessor in inciting audience reactions. United by a fear and loathing of the deadly shark, moviegoers found themselves bonding with one another, gasping, yelling, laughing, and applauding in unison at screens across the nation. Seeing *Jaws* became a social event, an event that friends and families wanted to experience again and again. These repeat viewings that were so groundbreaking in *Jaws* are now an aspiration for today's blockbusters and a benchmark used to measure the true success of a film in this genre.

With such an enthusiastic fan base, *Jaws* merchandise quickly spread beyond the official products licensed by Universal. All across the nation, shark-centric consumer goods, events, and locations sprang up, feeding off and fueling what came to be described as “*Jaws*mania.” (Shone, 37)

*Jaws* had transcended from film to event to brand, thus giving rise to the idea that a film is a brand in the same way that Ford, Versace, and McDonald's are. *Jaws* imagery (the shark swimming up to its first victim, swimmer Christy)

had just as much an effect as other brand symbols outside of the motion picture industry. (Shone, 38)

After eleven weeks and at the height of “*Jawsmania*”, the film had outgrossed both *The Godfather* and *The Exorcist* and had become the first film to make over \$100 million. (Smithee, 2001) As of 2015, the film has earned an estimated \$260 and \$471 million domestically and globally, respectively.

The first blockbuster franchise was attempted in the wake of its triumph, with three much less successful sequels following in 1978, 1983, and 1987.

Despite its failure to launch the first full-fledged blockbuster franchise, *Jaws* had still almost singlehandedly ushered in a new era of cinema as other studios sought to replicate its wild success. For the first time, studios began scrambling to fill the summers with bombastic, high-concept films with event-potential almost all aimed at teenage and young adult audiences. Today, the films released between Memorial and Labor Days account for over forty-percent of annual domestic box office revenue, and it all started with *Jaws*. (Smithee, 2001)

But, while *Jaws* is hailed as the first true blockbuster of a revolutionary new era in American cinema, the film cannot be given the sole credit of defining the modern blockbuster. American cinema is a continually evolving industry, and just as *Jaws* was the product of several blockbuster prototypes before it, the film spawned generations of films that continuously changed the blockbuster strategy.

The journey into the modern blockbuster takes us from the mysterious and deadly depths of the sea and into the vastness of a galaxy far, far away.



## ii. STAR WARS: EPISODE IV – A NEW HOPE

While Steven Spielberg was relatively unknown to the American masses before the release of *Jaws* in 1975, his contemporary George Lucas was a different story.

George Lucas became a familiar name to American audiences after the success of his 1973 film *American Graffiti* (Ferrara & Lumeau, 116), which was the third highest grossing film of that year. Four years later and just two years after the release of *Jaws*, he would join Spielberg as a fellow father of the blockbuster.

Where Spielberg's *Jaws* was the cinematic pioneer, Lucas' *Star Wars: Episode IV – A New Hope* (commonly referred to as simply *Star Wars* for many years) was the brave soul to immediately follow, further clearing the trail into the farthest reaches of the blockbuster frontier.

Unlike *Jaws* before it, the first *Star Wars* did not necessarily utilize a systematic approach to its marketing strategy. When 20<sup>th</sup> Century Fox only provided t-shirts and posters for marketing materials, Lucas' production company Lucasfilm hired Charles Lippencott as the marketing director.

*Star Wars* did not have the luxury of being something familiar to the masses, so the marketing was pivotal in creating awareness. Since there was no previous source material to draw from, such as a best-selling novel or play that the film was adapted from, Lippencott and Lucas looked to the comic book community in a brilliant marketing move. Partnering with Marvel Comics, San Diego Comic-Con, and Del Rey Books, various creative materials were published to precede and coincide with the film's release, including a comic book series that is still currently in publication.

Not only did this help set the stage for the intergalactic drama to unfold, but also this generated a further interest in the key demographic – teenage boys and young men, who would find a science fiction epic appealing. In the decades to follow, the kind of fan-base marketing employed here would continue to influence science fiction and fantasy based blockbusters. (Elsaesser, 16-17)

But the real force in Lucas' *Star Wars* came in two areas: the technology and the merchandising.

After the success of *American Graffiti* (for which Lucas earned around \$7 million), he invested his time and money in a special-effects company called Industrial Light & Magic, founded in 1975, to create the visuals needed for his space drama. It was the first facility of its kind, just as *Star Wars* would be the first film to utilize this level of advanced technology.

Through Industrial Light & Magic, Lucas was able to go beyond previous filmmaking efforts to create something akin to the animated classics of Disney but on a much more realistic level. The special effects used in the film set the tone for blockbusters to come, with gorgeous visuals, sweeping sound, and eye-popping scenes, and the blood-pumping action sequences now a staple of the genre.

The legacy of this company continues to this day, contributing special effects to over 300 feature films and ten of the top fifteen highest grossing films of all time, including *Titanic*, the *Harry Potter* and *Pirates of the Caribbean* franchises, *Avatar*, and the extensive Marvel Cinematic Universe. (Industrial Light & Magic)

While *Star Wars* is credited for whetting audience appetites for special effects, it is also considered the first film to realize the full potential of

merchandising and franchising and is arguably the first time a movie truly became a brand.

Before 1977, no one in the industry expected that film merchandise would be as lucrative as it would eventually become. To reinforce the collective obliviousness of the film industry, 20<sup>th</sup> Century Fox offered Lucas \$100,000 and forty-percent of the profits, expecting heavy negotiations to follow as those numbers were relatively low. However, Lucas agreed to the terms but on the condition that he keep sole ownership of the merchandising, licensing, and franchising rights for the film and its potential sequels. (Shone, 66) Fox eagerly obliged, and in the end, the difference would number in the billions. (Block, 2012)

Filmed for just \$11 million (not adjusted for inflation), the success of *Star Wars* was unexpected. On May, 25, 1977, the film was released in just 43 theaters, but because of the earlier marketing efforts, *Star Wars* had quickly created a passionate fan base that spread positive word of mouth and saw the film multiple times. Demand was so great that 20<sup>th</sup> Century Fox was forced to quickly broaden the release.

In a mere three months following its release, the film was already playing in over 3,000 theaters and had already surpassed \$100 million at the domestic box office. By the end of the year, the film had grossed almost \$194 million. (Shone, 65) Ultimately, *Star Wars* overcame *Jaws*' two-year reign to become the highest grossing film of all time for a number of years. At the end of its initial box office run, the film had earned over \$307 million domestically.

While the box office receipts were very impressive, the film merchandise further cemented its status as a cultural phenomenon and blockbuster powerhouse. Featuring a diverse and memorable cast of characters that included humans Luke Skywalker, Princess Leia, and Han Solo, aliens Master Yoda,

Chewbacca, and Jabba the Hutt, and robots C3PO and R2D2) the merchandising potential was immense. The revenues exceeded expectations.

Because no one expected the films' wild success, before the film's release Lucas had struck a deal with toymaker Kenner to produce a modest number of action figures based on the various characters featured in the film for a flat fee of \$100,000. However, by the time that the Christmas of 1977 approached, Kenner was inundated with a demand so high that it was forced to sell an "Early Bird Certificate Package" – an I.O.U. that could be redeemed later when supply could sufficiently meet demand. By the end of the following year, Kenner had sold more than 40 million of the figures for revenues exceeding \$100 million, almost a third of the total box office of the first film. (Block, 2012)

However, the merchandise does not stop at action figures. Everything from lunch boxes and toy light sabers to Halloween costumes were produced. By August 25, 1977, a novelization of the film published through Del Rey Books had already sold over two million copies. Eventually, the franchise would grow to include theme park rides and attractions at Disney amusement parks across the world – blockbusters *Jaws*, *Indiana Jones*, *Jurassic Park*, and *Harry Potter* would follow suit.

The film's soundtrack, which was also scored by *Jaws* composer John Williams, would also come to sell two million copies by 1978. (Shone, 66)

By Thanksgiving 1978, *Star Wars* had even expanded into television, with the *Star Wars Holiday Special* airing on CBS. Not only did the special feature the original cast and a fresh storyline, but also it introduced villain Boba Fett who would not come into play until the prequel trilogy in 1999.

With such unprecedented success, it was easy to see why George Lucas and Lucasfilm greenlit the production of two sequels to follow in 1980 and 1983. Thus,

a franchise was born, and the Blockbuster Era was poised to explode full force into the American cinematic consciousness, eventually conquering the world.

## **B. AFTERMATH:**

### **THE EIGHTIES THROUGH THE NINETIES**

In the wake of the *Jaws* and *Star Wars* phenomena, the major Hollywood studios began rushing to reproduce the breakout success of both films. Looking to those two bastions as guidance, a general blockbuster formula began to develop, with *Jaws*' saturated opening weekend technique – simultaneously opening in every market of the country and running a mass television advertising campaign – (Neale & Smith, 59) and *Star Wars*' licensing and merchandising opportunities (Prince, 139) both rising to the forefront.

At the dawn of the eighties, *Star Wars*' impact seemed to be the most visible, as its successful licensing and merchandising ventures both lead to the creation of the *Star Wars* franchise, the first ever blockbuster franchise.

However, throughout the eighties and nineties, the film industry was not the only market undergoing enormous change.

By the mid-eighties television began to emerge as a major player in new ways, as pay-for-television subscription services, such as HBO, began to grow rapidly. (Prince, 26) Coupled with the exponential growth of home video technology and sales (Neale & Smith, 35) and a period of inflation that led to increasing production and advertising costs (Prince, 21), the film industry was confronted with the sudden development of various ancillary markets, effectively transforming filmmaking and its marketing tactics (Prince, 132).

In order to fully delve into the Blockbuster Era of the eighties and nineties, two separate threads must be created: examining the development of the early blockbuster franchises and observing the rise of the ancillary markets.

### i. THE BLOCKBUSTER FRANCHISE

By 1980, George Lucas and Steven Spielberg were household names, with both accredited with the meteoric rise of the blockbuster.

While Spielberg's *Jaws* is commonly referred to as the first blockbuster, Lucas would be the one responsible for launching the first blockbuster franchise with 1980's successful sequel release: *Star Wars: Episode V – The Empire Strikes Back*.

Before *Empire's* release, Hollywood's foray into sequels generally dealt with a mere duplication of the original's formula, with minor tweaks here and there to give the illusion of a new product. With *Empire*, though, Hollywood realized that a high-concept, compelling narrative could be sold effectively across multiple films.

A third, profitable film would follow in 1983, *Star Wars: Episode VI – The Return of the Jedi*, which, when combined with *Empire*, would go on to generate more than \$1 billion in box office grosses and over \$3 billion in merchandising in the same period. (Ferrara & LaMeau, 118)

Along with the *Star Wars* film franchise, an entire *Star Wars* universe came into existence, mostly centered on the aforementioned merchandising. *Star Wars* branched out into video games, novels and even live-action television

specials and a contemporary animated television series on Cartoon Network.  
(Block, 2012)

The moral of this story is that when a film sells, its success can transcend beyond the theatrical market. In fact, since the release of three more films in 1999, 2002, and 2005, the six films in total have earned a collective \$4 billion in box office receipts since 1977 – over a period of almost forty years. (Ferrara & LaMeau, 118) Juxtapose this number with the \$3 billion the franchise generated in merchandising and licensing grosses in the year 2011 alone. (Block, 2012)

While the appeal of merchandising and franchising now may seem obvious, the true potential was not seen so clearly at the time.

Even so, the release of Lucas' *Empire* in 1980 ushered in an entire wave of franchises, with some being more successful than others based on their marketing appeal.

Because of the odd, memorable array of characters in the *Star Wars* franchise, the 1980s saw a rapid increase in the production and release of films and emerging franchises based on cartoons, robots, aliens, and superheroes – essentially anything with a distinct style that could be translated into a unique marketing campaign. In other words, if the main characters could easily become a toy, studios would fervently pursue a project. (Prince, 139)

The first five years of the eighties saw consecutive years of record-breaking box office receipts, with domestic grosses rising from \$2 billion in 1980 to over \$4 billion by 1984. (Prince, 1) Many of the films released during this time period would go on to launch successful franchises in the vein of *Star Wars*.

1981 saw the release of Steven Spielberg's *Raiders of the Lost Ark* – based on characters and story by George Lucas and Philip Kaufman – which became the highest-grossing release from that year, grossing over \$200 million, and later

leading into the *Indiana Jones* franchise. The original film inspired three more films (released in 1984, 1989, and 2008), an early nineties television show, and numerous video games. (Box Office Mojo, F)

Before the 1984 release of *Indiana Jones and the Temple of Doom*, the second film in the franchise, Paramount chose to include a trailer for *Doom* with the home video release of *Raiders*. Further capitalizing on the clout of the original film, all marketing materials announcing the home release of *Raiders* included a tie-in with *Doom*. (Prince, 133) *Doom* went on to be the third highest grossing film of 1984, the same year in which four films grossed over \$100 million with two of the films grossing over \$200 million – the first time this had ever occurred.

Among those films was *Beverly Hills Cop* starring Eddie Murphy (the highest grossing of the year and the beginning of another film franchise), supernatural comedy *Ghostbusters*, and the highly marketable *Gremlins*. (Shone, 150)

Following the massive overall success of Steven Spielberg's *E.T.: The Extra-Terrestrial* in 1982 which, with a domestic gross of almost \$360 million, became the global highest grossing film of all time until 1993's *Jurassic Park*, *Gremlins* – also associated with Spielberg – sought to tap into the same marketing vein uncovered by *E.T.*

In *E.T.*, the titular alien adorably feasts on Reese's Pieces in a memorable scene, which subsequently led to the products' sales shooting sixty-five percent following the initial release of the film on over 1,000 screens. (Shone, 133) This uncovered the fact that a children's film can also be highly influential in the advertising world and revived an interest in product placement.



Thus, two years later and with Spielberg's name attached, Warner Bros. secured fifty manufacturers to feature Gizmo – a loveable creature from *Gremlins* – and the other nefarious “gremlins” on their merchandise before the film's release. When the film ultimately only grossed half of what *E.T.* achieved, Warner Bros. still benefited as the corporation took the cash in advance. (Prince, 137) Even so, *Gremlins* was still the fourth highest grossing film of 1984. (Box Office Mojo, G)

The underwhelming performance of *Gremlins* did not damage Spielberg's good name. Inspired by the deals made regarding *Gremlins*, Spielberg and Universal Pictures managed to secure enormous advertising and merchandising for his 1993 hit *Jurassic Park* months before a single frame of the film was even seen.

With a pre-production phase that lasted over two years (a similar timeframe for Spielberg's *Jaws* almost twenty years earlier), Universal Studios managed to accumulate one hundred licensees to market over one-thousand dinosaur products for the film. Among the most notable deals included toymaker Kenner investing up to \$8 million, videogame company Sega promising \$7 million, and McDonald's investing \$12 million. This represented the trifecta of film merchandising – toys, videogames, and cross-promotional tie-ins with an established franchise – valued at \$27 million alone. This number does not include the other ninety-seven companies making similar deals. (Shone, 219) Overall, the one hundred licensees spent an estimated \$65 million on advertising during the first weeks of release. (Millman, 1993)

Spawning two sequels in 1997 and 2001 – with a third on the way in the summer of 2015 – *Jurassic Park* would go on to become the global highest grossing film of all-time globally with over \$900 million, but despite its

enormous marketing campaign, the film still did not best *E.T.*'s domestic gross from almost ten years earlier. In fact, 1993 became the first year in which global box office receipts surpassed domestic totals. (Shone, 224-227)

Starting with the record-breaking summer of 1984, the major studios began to slowly fall into a pattern that would persist throughout the nineties and became a major element of the contemporary film period. Big-budget, high-grossing films were no longer just an isolated event but an expected facet of the industry. These films became known as “tent pole” films because their performances kept the studios profitable and secured funds for smaller films to be made. (Neale & Smith, 78)

Oftentimes, these films were focused on a proven franchise, such as *Indiana Jones*; a film with franchise potential, such as the following year's highest grosser *Back to the Future*, which spawned two sequels; or a film with major stars, such as Tom Cruise and Dustin Hoffman in *Rain Man*, or a well-known name in general attached, such as producers Don Simpson and Jerry Bruckheimer (the duo behind hits like *Beverly Hills Cop* and *Top Gun*). (Prince, 208)

Many of these films contained certain plot elements that would come to define the movies in the genre. Often, these pictures dealt with highly dramatized concepts (space, the apocalypse, major wars) and featured young male heroes as the central protagonist. These males – along with a cast of characters usually based on archetypes from Western literature and mythology – faced unreal circumstances, almost always a matter of life or death. While these films were based on real historical events or stories that have withstood the test of time, many blockbusters also mixed in elements of fantasy and science fiction and a plethora of special effects and spectacle, leading to ever-growing budgets. (Elsaesser, 16-17)

The industry relied on these tent-pole films to such an extent that by 1989 (the highest grossing year since 1984) (Shone, 197) a single, major box office failure could have major repercussions for an entire studio.

For example, when Warner Bros. released Tim Burton's *Batman* that same year, the studio's return-on-investment was forty-one percent. However, had *Batman* not been produced, the return-on-investment would have only been twenty-five percent, which is almost fifty-percent lower. In a more extreme case, Paramount's return-on-investment in 1997 was thirty-nine percent thanks to James Cameron's *Titanic* – which bested *Jurassic Park* in becoming the first billion dollar blockbuster; without *Titanic*, Paramount's return-on-investment would have been dangerously low at just three-percent. (Sedgwick & Pokorny, 291)

Also, while 1989's *Batman* opened on 2,194 screens and had an opening weekend domestic gross over \$40 million – the highest at the time – the film signaled more than the arrival of the comic book hero into the blockbuster world. (Prince, 90) While *Batman* opened strongly, the film also became the first blockbuster to fizzle out quickly. Of its \$250 million ultimate domestic gross, *Batman* grossed almost half of that in its first ten days, showing that it was incredibly front-loaded. (Shone, 197)

Although Tim Burton's *Batman* would go on to become the highest grossing film in 1989, launching a lucrative franchise that would grow to include a separate film series in the new millennium and a planned reboot, (Box Office Mojo, F) the film signaled a disturbing trend in which blockbusters no longer enjoyed the longevity they once did, with the opening weekend becoming crucial to a blockbuster's overall box office success.

By 1996, it was even more evident that the blockbuster formula was in danger, on a large scale. During its first week in release, *Independence Day*

grossed a record-breaking \$100 million, but only managed to eclipse \$300 million over its entire domestic run. While these numbers are still impressive, *Independence Day* should have grossed more considering it was the first film to advertise at the Super Bowl – the most watched event annual event on American television –and that over \$100 million combined was spent on advertising and production. (Shone, 239) The film would not have been as successful had it not been for its global performance, which brought total box office grosses to over \$800 million. (Box Office Mojo, H)

With so much at stake, the studios had to turn to other areas for financial security, with supplementary markets developing even in the early eighties. Calling all ancillary markets, stage left.

## ii. THE RISE OF THE ANCILLARY MARKETS

By 1980, motion pictures were making more money than anyone could have fathomed just ten years prior. (Prince, 19) However, other markets were simultaneously developing and evolving, with the potential to further heighten the newfound prosperity and provide safety for the risky film industry. (Prince, 139) Ultimately, these ancillary markets would go on to influence the creation and content of blockbusters permanently. (Neale & Smith, 12)

At the beginning of the decade and in the wake of the revitalization of the American film industry in the seventies, the three major ancillary markets – or markets outside of the domestic box office that could help guarantee a film’s financial success and studio solvency – were already beginning to emerge: home video, pay-for-television subscription services, and the global film market. (Neale

& Smith, 35) By the end of the nineties, each would hold a major influence on the industry.

At the dawn of the eighties, film had already begun to move out of the limits of the theater and into homes on televisions across the nation. Of these formats, the popularization of the videotape and deals with pay-for-television services allowed studios to pursue profits beyond the box office. (Prince, 3)

During the historical waning of the film industry in the mid to late sixties, only one in ten films generated enough box office receipts to actually be considered profitable. By 1985, thanks to the creation of the blockbuster formula and the three secondary markets, over half of all films released turned a profit. (Neale & Smith, 37)

The most rapidly growing of these three, that would in turn help shape the nineties and early twenty-first century, was the home video market.

By mid-decade, films were generally released on home video six months after leaving the theater. Marketing and advertisements would go into effect roughly a week or so before this release, ensuring resurgence in awareness. (Prince, 91)

The marketing worked, and as the VCR took hold of American households, sales began to boom.

In 1981, the sales of prerecorded videocassettes stood around four million in total. By 1989, sales had reached almost 208 million units – a 5,200 percent increase in just eight years. (Prince, 95) Sales of VCRs rose from two million units in 1980 to sixty-two million in 1990. (Neale & Smith, 35)

Home video revenues would surpass box office grosses by mid-decade. In 1989, the domestic box office grosses had finally surpassed \$5 billion for the first time, yet home video sales and rentals bested that number twice over. (Neale &

Smith, 58) The major studios began to realize the potential here – especially regarding the blockbuster, the juggernaut of the industry.

In 1983, Paramount's *Flashdance* – that year's third highest grossing film behind *Star Wars: Episode XI – The Return of the Jedi* and *Terms of Endearment* (Box Office Mojo, G) – was actually a forerunner in experimental, modern releases. With waning theatrical grosses, Paramount decided to announce the release of the film on home video while it was still running in many theaters. The result was a fourteen percent increase in box office grosses, which revealed to studios that one film could promote itself through a simultaneous presence in different markets.

As mentioned earlier, in 1984 Paramount promoted its second *Indiana Jones* installment, *Temple of Doom*, by featuring a trailer for it with the home video release of the seminal film in the series, *Raiders of the Lost Ark*. (Prince, 133) By 1987, total video sales of *Raiders* had surpassed 1.5 million units. (Prince, 104)

The 1987 home video release of *Top Gun* – the biggest grosser of 1986 (Box Office Mojo, G) – was the first blockbuster videocassette to carry a commercial sponsorship. An advertisement for Diet Pepsi preceded the film, produced with similar imagery from *Top Gun* in an attempt to create a connection between the two. In its first two weeks of release, over 2.5 million videocassettes were sold generating revenues that equaled half of its entire lifetime at the domestic box office – also exposing the Diet Pepsi ad to those same, numerous consumers. (Prince, 105)

1983's *E.T.* – the highest grossing domestic blockbuster until 1997's *Titanic* – also saw extraordinary home video sales when it was finally released in 1987. By year's end, the film had sold over 15 million copies, generating Universal

revenues totaling \$175 million – almost half of its historic domestic total. The blockbuster suddenly became even more appealing. (Prince, 107)

By 1996, the effects of marketing films for home release could easily be seen. Disney's 1994 animated blockbuster *The Lion King* earned over \$250 million at the domestic box office, but in two years the film had exceeded \$1.5 billion in home video revenues – the blockbuster officially became an entire industry in itself. (Moul, 163)

While home video was experiencing an enormous surge in popularity, pay-for-cable subscriptions were experiencing a similar albeit slighter surge.

By 1983, HBO – the leading service provider in this category – had risen to become a major player in the worlds of both film and television. It, along with other similar services, had reached new heights by this year, with \$2.4 billion revenues in this industry by this time, compared to \$3.4 billion domestic box office revenues in 1982. (Prince, 26)

These services often dealt with the major studios through deals to show studio films on television, a relationship that would eventually outshine the previous relationships studios had with the traditional cable networks. Eventually, HBO would partner with other production companies to finance its own original films, setting a precedent for the later rise of Netflix and becoming a minor threat in its own right.

Between 1980 and 1990, pay-for-cable subscribers had increased almost five times over, from 9 million to 42 million. (Neale & Smith, 35) In 1980, the film industry earned \$240 million in revenues from pay cable, but by 1990 that number had increased to \$1,100 million – surpassing the grosses of network and syndicated television combined. (Prince, 92) HBO and other services were

expending enormous sums of money to showcase a feature film for the first time on television, with blockbusters rising to the forefront.

While pay-for-cable was the largest cash generator, the traditional television formats also helped play a role in the formation of modern blockbuster practices. 1983's *Flashdance* experimented with more than home video releases. In an exclusive deal with MTV, Paramount executed a revolutionary and successful cross-promotional campaign with its film *Flashdance*. (Prince, 133)

Since MTV focused on pop culture, its relationship with *Flashdance* was very natural, as the film featured a soundtrack packed with pop music hits. Before and during the first weeks of the film's release, MTV had exclusive access to four music videos for the four most popular songs from the soundtrack, with the videos heavily utilizing footage from the film. (Prince, 133)

Of those, Irene Cara's "Flashdance... What a Feeling" and Michael Sembello's "Maniac" would both top the United States music charts. (Billboard, 1983) In just twenty-four days, the soundtrack album was certified platinum, selling over one million copies. (Prince, 133) By year's end, the soundtrack would sell over five million copies. (Prince, 208)

Through lucrative deals with these television services, which all wanted a piece of successful theatrical films to help round out their own individual content, studios had yet another way to make money from the blockbuster.

Even though pay-for-cable continues to be a major ancillary market in contemporary times, the only market of the three to prevail and actually emerge as the single most powerful market – even eclipsing the domestic market – is the global box office.



While the global box office had been a presence for some number of years, the true potential of this market would not be seen until the early nineties. (Neale & Smith, 35)

When compared to the other major ancillary markets, global cinema increased at a much slower rate. Between 1980 and 1990, global box office revenues increased just twenty-five percent from \$911 to \$1,200 million. (Prince, 92)

After 1990, markets in Asia and Eastern Europe began to fully embrace the American film industry. (Neale & Smith, 35) By 1992 the entertainment industry became the United States' largest export behind aerospace technology. (Shone, 227) The profits quickly followed suit.

In just a few years, the power of the global film market would be obvious. 1993's *Jurassic Park* became the worldwide highest grossing of all time to that point with almost \$900 million, yet 1982's *E.T.* remained the number one champion domestically by over \$40 million (though this number includes a re-release in 1985). (Box Office Mojo, D) In ten years, the market had evolved so much that a film could be the number one record-setter globally without being number one stateside. 1993 would also mark the first time that Hollywood's overseas revenues surpassed domestic totals, in a trend that continues to this day. (Shone, 227)

1996's *Independence Day* would also cement the increased power of the global box office, as that film made a little over \$300 million stateside, but \$500 million in all other markets – bringing its global total to over \$800 million, making it the highest grossing of the year. (Box Office Mojo, H)

Director James Cameron's 1997 hit *Titanic* would prove to reap the largest benefits from the global box office, and from another ancillary market as well.

With a budget of around \$200 million, (Shone, 261) *Titanic* had the makings of a monstrous hit or miss for 20th Century Fox and Paramount, who jointly funded the project. One of the wisest moves from the filmmakers involved the allocation of funds to the music of the film. With a score composed by James Horner (who had previous experience with scoring blockbusters like 1995's *Apollo 13*), the soundtrack was already well on its way to success and an eventual Academy Award. Horner also secured popular artist Celine Dione to sing the film's key song "My Heart Will Go On". Like Horner, Dione had previous experience lending her voice to blockbuster film soundtracks, such as 1992's *Beauty and the Beast*. (Sandler & Studlar, 50-51)

The result of the combination of Horner's affecting score and Dione's powerhouse vocals was a pop culture phenomenon. Horner's soundtrack score, which was completely instrumental save for Dione's song, ended up selling over 10 million copies in the United States alone, an achievement rarely reached by normal artists in contemporary times. (Sandler & Studlar, 47) Considering the soundtrack only cost \$1 million to produce, this is an enormous return-on-investment.

"My Heart Will Go On" went on to become the biggest hit of Dione's career and one of the best selling singles of all time, with over 15 million copies sold worldwide. (Goldman & Blakely, 2007) The song also ranked number one on the United States Billboard Year-End charts in 1998. (Billboard, 1998)

Because of the enormous popularity of the music, good word-of-mouth, and savvy marketing that promoted stars Leonardo DiCaprio and Kate Winslet and the historical relevance of the film, *Titanic* exceeded all expectations and grossed a record-shattering \$601 million domestically in its original run. The film would go on to gross double that number in global markets, with over \$1,242

million. Ultimately, by the end of 1998, the film grossed over \$1,843 million worldwide. It was the first time a film had ever grossed over a billion dollars, and the first time that worldwide numbers outpaced domestic grosses to such an extent. (Sandler & Studlar, 55)

With the global market becoming such a major player, the content of blockbusters began to evolve to appeal to a more diverse audience, though the exact effects would not be seen until the second phase of the Blockbuster Era, which, once again, begins with a familiar name: George Lucas.

## CHAPTER III: THE BLOCKBUSTER ERA: PART II –

### A NEW CENTURY

The heyday of the blockbuster franchise had been steadily waning in the ten years following its peak in 1989. That year, sequels to major film franchises *Indiana Jones*, *Lethal Weapon*, *Ghostbusters*, *Back to the Future*, *Star Trek*, and *The Karate Kid* all found their ways onto the big screen for the biggest summer at that point in American film history. (Shone, 196)

With the exceptions of the Tim Burton and Joel Schumacher *Batman* film franchise that kicked off in '89 (with more films released in '92, '95, and '97); 1990's *Home Alone* and its sequel in 1992 (the first and second highest grossing films in their respective years); two releases in Disney's *Toy Story* film series in 1995 and 1997 (a third would go on to break records in 2010); entries in the James Bond film franchise starring Pierce Brosnan in 1995, 1997, and 1999 (with another eventually released in 2002); and Steven Spielberg's *Jurassic Park* (which spawned a sequel in 1997, with one following in 2001 and another slated for the summer of 2015), the franchise was largely absent in the majority of the nineties compared to the massive success it enjoyed throughout the eighties. (Box Office Mojo, F)

Besides James Cameron's *Terminator 2: Judgment Day* topping the yearly box office in 1991 with \$204 million (granted, the original *Terminator* did not even crack the top twenty in 1984), the concept of the blockbuster franchise no longer had the box office draw it had enjoyed for almost a decade; for example, the three James Bond films released in the nineties barely cracked the top ten in each of their respective release years. Much of the top ten highest grossing films from 1990 to 1998 involved bombastic stand-alones in the blockbuster genre (1995's *Apollo 13*, 1996's *Independence Day* and *Twister*, and 1998's *Armageddon*), Disney's animated children's films (1991's *Beauty and the Beast*, 1993's *Aladdin*, and 1994's *The Lion King*), character-driven dramas (1990's *Ghost*, 1994's *Forrest Gump*, and 1997's *Titanic*), or comedies (1993's *Mrs. Doubtfire*, 1997's *Liar Liar*, and 1998's *There's Something About Mary*). (Box Office Mojo, G)

These films were not followed with feature film sequels, if they spawned a sequel at all (the Disney films all spawned direct-to-video sequels nowhere near as successful as their predecessors). Most films in this period focused on major stars, such as Tom Cruise, Will Smith, Robin Williams, and Jim Carrey, or relied on the reputation of the parent studio, such as the slate of successful Disney films released from 1989 to 1999 – a period known as the “Disney Renaissance”. (*TIME*, 2014)

The true blockbuster only appeared a handful of times, with *Terminator 2*, *Jurassic Park*, *Independence Day*, *Twister*, *Armageddon*, and *Titanic* as the most notable examples given the broad scope of the content and marketing. Beyond strengthening a film's merchandising and licensing opportunities like *Jurassic Park* did in 1993 (Shone, 219) and further revolutionizing marketing tactics as *Independence Day* did with being the first film to show a trailer during the Super

Bowl (Shone, 239), the furious growth of the blockbuster franchise throughout the eighties had noticeably slowed and eventually stagnated in the nineties.

However, 1999 would be the year that the blockbuster would once again experience a massive period of change, entering a new phase of the Blockbuster Era that once again focused on franchises and evolving technology and marketing tactics.

The force to usher in this period was George Lucas' 1999 release of *Star Wars: Episode I – The Phantom Menace*, the first film in his prequel *Star Wars* trilogy.

## A. THE RETURN OF GEORGE LUCAS

On the cusp of the twenty-first century and released roughly sixteen years after the debut of *Star Wars: Episode VI – Return of the Jedi* in 1983 (the last film in the original trilogy) George Lucas' *Star Wars: Episode I – The Phantom Menace* reminded Hollywood and the world of the power of the blockbuster franchise.

In June 1994, George Lucas publicly announced his intention to return to the *Star Wars* universe with a prequel trilogy, to the delight of fans everywhere. (Kim, 1994) Just three years later in 1997, the three films of the original trilogy were released to coincide with the twenty-year anniversary of the release of the seminal *Star Wars* film in 1977. Collectively, the three films earned over \$250 million at the domestic box office that year alone. (Box Office Mojo, G) By the last quarter of 1998, anticipation for the next entry in the *Star Wars* film series had reached new heights.

In November 1998, the first trailer for *Phantom* was released on Apple's film trailer website, and because of the five years of anticipation building for the *Star Wars* fandom, the trailer release resulted in an early Internet phenomenon, setting a precedent for marketing campaigns to come. (Lambie, 2014)

While the first trailer was available for viewing and downloading on the Apple site, it also debuted at 75 theaters the same weekend.

At Apple, servers were clogged as unprecedented web traffic flooded the site. Steve Jobs called it the largest web event in history when it reached 10 million downloads by year's end. A year later, it had been downloaded 35 million times. (Lambie, 2014)

In theaters, the trailer (showing both before and after the respective features) was coupled with three films: Brad Pitt vehicle *Meet Joe Black*, Adam Sandler starrer *The Waterboy*, and the Bruce Willis action film *The Seige*. Ticket sales were substantial for the three films given the attachment of the well-publicized trailer. However, audience members across the nation left theaters showing the three films immediately after viewing the trailer, only to return from the lobby to view the second run of the preview after the credits. The *Star Wars* fandom emerged as something studios sought to cultivate, seeking out franchises capable of inspiring such a level of interest. (Shefrin, 261)

The online release of the second, longer trailer in early 1999 resulted in 3.5 million downloads in 3 days. (Lambie, 2014) But the hysterical levels of interest did not end there. Lucas' *Phantom* also marked one of the most extensive cross-promotional marketing campaigns of all time, (Block, 2012) which would ultimately help to bring the film to worldwide box office grosses over \$925 million – second only (at the time) to James Cameron's *Titanic*, when not adjusting for inflation.

With the renewed interest in the franchise coming after Lucas' announcement and the 1991 publication of a wildly successful novel series set by Timothy Zahn set in the *Star Wars* universe, Hasbro and Lucasfilm began manufacturing action figures once again in 1995 after a hiatus in the early part of the decade. The result was \$400 million yearly revenues by 1998, (Shone, 279) the same year that the marketing campaign for the new film would go into full effect.

While 20<sup>th</sup> Century Fox only had allotted \$20 million for the film's advertising campaign, *Phantom* benefited greatly from partners' own campaigns. Of these, Tricon Global Restaurants (now known as Yum! Brands) and PepsiCo had the most memorable and extensive promotions. (Elliott, 1999)

Tricon – the group that owns various major fast food brands including KFC, Taco Bell, and Pizza Hut – embarked on the first ever campaign that interconnected multiple restaurants. While films had commonly teamed with established fast food chains for children's toys and themed beverage containers, Tricon took this synergistic relationship to a more intricate level, tying all three into the *Star Wars* universe. (*Los Angeles Times*, 1999)

To highlight unique elements of the film, the three restaurants were given distinct themes based from three of the film's fictional planets: KFC turned into Naboo, Pizza Hut became Coruscant, and Taco Bell was themed as Tatooine. In all, there were twenty-eight collectible toys available at the three chains, with each restaurant having its own distinct set of toys. (*Los Angeles Times*, 1999) Thus, Tricon was encouraging a visit to all three to get the full set of *Star Wars* merchandise.



PepsiCo also embarked on an extensive promotional campaign, hoping to benefit from *Star Wars*' popularity. The company released a line of special edition twenty-four pack cans, sixteen ounce and two liter bottles featuring prominent characters and accompanying miniature biographies.

Other notable marketing deals include toy manufacturer Hasbro paying \$600 million and offering 7.4 percent of the company as equity to Lucasfilm for the licensing rights to produce the toys for the three prequels. (*Los Angeles Times*, 1999) It would seem everyone wanted a piece of *The Phantom Menace*, and 20<sup>th</sup> Century Fox wanted to make sure everyone involved wouldn't regret it.

In a power play in the distributor and exhibitor relationship and in the aftermath of steep box office drops in the vein of *Independence Day*, Twentieth Century Fox demanded that exhibitors (theaters and theater chains) keep the film showing on the biggest screens at least two months after its debut on May 19 – peak summer blockbuster times. (King & Krzywinska, 96)

Ultimately, *Star Wars: Episode 1 – The Phantom Menace* was a major box office success as the highest grossing film of 1999 with \$984 million worldwide, besting the second place film (*The Sixth Sense*) by over \$300 million. (Shone, 292) While the film would be key in ushering in a newer, bigger blockbuster franchise era, *Phantom* was not bulletproof.

In the world of film marketing, the sales numbers disappointed the film's various promotional partners following the film's release. While the film still generated around \$300 million in revenues from merchandising in 1999 (Shone, 289), the final number paled in comparison to the previous estimates that boasted total sales of up to \$1,500 million. (*Los Angeles Times*, 1999)

Many blame the lackluster reception of the film by critics and fans of the original series that alienated and disappointed many audience members,

resulting in a lessened desire to purchase beyond the initial movie ticket. (Shefrin, 270)

Thus, while studios lusted for a devoted fan base like *Star Wars*, Hollywood also realized that the same fan base could turn against a series if not satisfied with the creative direction.

Despite the poor reception of *Phantom*, its two sequels went on to perform very well. 2002's *Star Wars: Episode II - Attack of the Clones* grossed \$650 million worldwide, and 2005's *Episode III – The Revenge of the Sith* grossed \$860 million, making it the highest grossing of that year. (Box Office Mojo, H) Obviously, the *Star Wars* franchise was dimmed in no permanent way, as the combined box office, licensed goods, and home entertainment grosses have reached \$30 billion as of 2012. (Block, 2012) Disney will release a seventh *Star Wars* film in December 2015, launching a new sequel trilogy, including two planned separate, standalone films.

Following the box office numbers of *Phantom Menace*, the search for another billion-dollar franchise became the trend as studios sought out other high-concept properties with lucrative potential. With the return of Lucas, another era of blockbuster franchises was launched, continuing to the present day.

## **B. THE MILLENNIALS: THE FRANCHISE AND THE FAMILIAR**

While 1999 was dominated by George Lucas and *The Phantom Menace*, a handful of other notable franchises either began or had an entry that year as well,

including the *Toy Story*, *Austin Powers*, *The Matrix*, and *The Mummy* franchises. Each of the respective entries all ranked in the domestic top ten of that year.

Five franchise installments had not been in the top ten since 1995. However, 1995's slate saw some of those five just barely clearing \$100 million, but 1999 saw every franchise film in the top ten making over \$150 million. (Box Office Mojo, G) This further signaled a resurgence in the prominence of the franchise. By 2011, the entire top ten of the domestic box office would consist of sequels or seminal films in now existing or planned franchises, (Cieply, 2011) with each grossing from \$181 million (Marvel's *Thor*) to \$381 million (*Harry Potter and the Deathly Hallows Part 2*).

Another impact of 1999 besides the return of the franchise stemmed from Warner Bros. and its CEO Alan Horn. Before that year, tent pole films had become a mainstay of Hollywood, yet Horn decided to pursue the concept even further – as an overall release strategy for the studio.

Essentially, of the twenty-five films planned for release in the following year, Warner Bros. would pour a majority of production and advertising money into four or five of them, a strategy never before done by a studio to that extent. The result was that Warner Bros. became the first studio to post over \$1 billion revenues fourteen straight years in a row since the beginning of its *Harry Potter* franchise in 2001. Now, virtually every major studio operates this way, focusing on blockbusters and franchises to carry their financial years. (Elberse, 1-3, 18)

In the wake of 1999 – dubbed by *Entertainment Weekly* as “the year that changed the movies” – the film industry would see rapid changes in just a few short years, with films released in 2000 and 2001 featuring and inspiring pivotal developments that would lead to the contemporary variety of blockbusters that we see today.

With the successful release of *The Phantom Menace* in 1999 and the revolutionary business strategy of Warner Bros. under Alan Horn, many studios sought out and put into production films with franchise potential, existing familiarity, and – most importantly – built-in fan bases.

Tried-and-true properties would grow to dominate this new era of the blockbuster, giving us multiple film franchises based on wildly popular, diverse book series (*The Lord of the Rings*, *Harry Potter*, *Twilight*, *The Hunger Games*); nostalgia-inducing comics (*X-Men*, *Spider-Man*, *The Avengers*); television shows (*Charlie's Angels*, *Alvin and the Chipmunks*, *21 Jump Street*); toy properties (*Transformers*, *The LEGO Movie*); variations of familiar western lore (*Shrek*, *The Pirates of the Caribbean*); remakes (*War of the Worlds*, *King Kong*, *Alice in Wonderland*); and reboots, including fresh entries in the James Bond, *Planet of the Apes*, *Indiana Jones*, *Batman*, and *Superman* franchises. Notable standalone blockbusters include superhero drama *Hancock*, space epic *Avatar*, science fiction thriller *Inception*, and Disney's animated *Frozen*. (Box Office Mojo, F)

From all of these, three specific varieties of the blockbuster genre would emerge and be heavily exploited throughout the new millennium: the animated children's film, the comic film, and the fantasy and science fiction book series turned film series.

### i. THE BIG THREE

Five films from 2000 and 2001 would serve as early examples of the three major blockbuster categories that would come to dominate this new era: *X-Men* (2000), *Shrek* and *Monsters Inc.* (both 2001), and *The Lord of the Rings: The*

*Fellowship of the Ring* and *Harry Potter and the Sorcerer's Stone* (also both in 2001).

While comic book series had been adapted to film in the past – the subpar *Superman* series in the seventies and eighties starring Christopher Reeves and Tim Burton's *Batman* series that ended with 1997's critically unsuccessful and commercially underwhelming *Batman & Robin* immediately come to mind – they had never been central to the blockbuster. (Box Office Mojo, F)

In 2000, director Bryan Singer's *X-Men* would be the first major superhero release of the new millennia and, along with Sam Raimi's *Spider-Man* in 2002, would permanently infuse superhero mythos into the blockbuster genre.

Based on a very popular Marvel comic book series, *X-Men* was built to be a success for studio 20<sup>th</sup> Century Fox. With 270 million copies sold since the seventies, the comic series is the fifth highest selling of all time and holds the distinction of having the Guinness World Record for the highest selling single issue ever, with 8.1 million copies sold of *X-Men* #1 in 1991. (Baker, 2014) In a throwback to the *Star Wars* strategy in 1977, Fox tapped into this vein by releasing a comic book before the film's release to introduce Marvel fans to the changes to be seen in the film, especially involving the new backstories of famous characters Rogue, Wolverine, and Magneto.

With such an enormous fan base already in existence, the film easily ranked as the eighth highest grossing domestic release of 2000 with \$157 million, and was well-received by critics and fans alike, ultimately leading to a sprawling franchise including seven films with another planned for release in 2016. Of these films, four of them ranked in the top ten of their respective release years. (Box Office Mojo, F) Beyond giving rise to a lucrative film franchise, the original *X-Men* film would most importantly lead to a massive resurgence in the superhero

genre, paving the way for 2002's megahit *Spider-Man* and the various superhero films to follow.

Before we venture into the increasingly intricate web of the superhero blockbuster, let's take a look at 2001 and the remaining two subgenres of the blockbuster that surfaced that year.

When glancing at the worldwide top four highest grossing films of 2001, the evidence becomes clear: fantasy and animation sell.

While Pixar's *Toy Story* films released in 1995 and 1999 had enjoyed enormous success (with the first film ranking number one at the domestic box office for the year), animation had not been in its heyday since the big three of Disney's "Renaissance period" – 1991's *Beauty and the Beast*, 1992's *Aladdin*, and 1994's *The Lion King*. (*TIME*, 2014) All three of these films were among the top three highest grossing in their respective years, with *Aladdin* and *The Lion King* topping the 1992 and 1994 worldwide box offices, respectively. (Box Office Mojo, G)

2001 was the first time that animated films occupied two slots in the top five simultaneously, with Pixar's *Monsters, Inc.* and DreamWorks Pictures' *Shrek* coming in at third and fourth worldwide with \$529 and \$484 million earned, respectively. (Though at the domestic box office, their places would be reversed, with *Shrek* earning \$268 million versus *Monsters, Inc.* with \$256 million.)

*Shrek* would go on to become the most lucrative animated franchise of all time. (*The Numbers*, 2015)

While Pixar, a subsidiary of Disney that actually began with Lucasfilm in 1979, would cement its place, along with Walt Disney Animations, as one of the leading studios in animation in this new blockbuster era, with several blockbuster hits and franchises following *Monsters, Inc.*

The top two slots of the highest grossing films worldwide in 2001 – occupied by *Harry Potter and the Sorcerer’s Stone* and *The Lord of the Rings: The Fellowship of the Ring* – illuminated the third major genre of the new blockbuster era: a film franchise based on an established and successful book series.

While previous blockbuster franchises often came from original ideas conceived by screenwriters – George Lucas created both the *Star Wars* and *Indiana Jones* universes, Steven Spielberg based *E.T.* off of experiences from his childhood, and Bob Gale and Robert Zemeckis created the *Back to the Future* franchise universe – *The Lord of the Rings* and *Harry Potter* franchises would usher in a new era of blockbuster that was heavily dependent on adapting already extremely popular existent works.

While some detractors argue this recent trend lessens the originality of mainstream Hollywood to an extent (in a causal effect, studios become less willing to take risks on properties that are not already a familiar component of popular culture in some capacity) from a marketing standpoint, developing and distributing these two properties was a brilliant move by studios New Line Cinema (*The Lord of the Rings*) and Warner Bros. (*Harry Potter*). Because of the immense popularity spanning across generations for J.R.R. Tolkien’s writings and author J.K. Rowling’s magical appeal with children and young adults, both studios had their marketing cut out for themselves. As a result both film franchises set new records.

*The Lord of the Rings* became one of the highest grossing film franchises of all time, managing to make a combined \$2.9 billion at the worldwide box office between the three films. Each film ranked in the top two of its release year, with *The Fellowship of the Ring* coming behind *Harry Potter* in 2001. In 2002, *The Two*

*Towers* would rank number one worldwide with \$934 million. *The Return of the King*, the final film in the trilogy, also ranked number one at the global box office in 2003 with \$1.1 billion, becoming the second film after *Titanic* to cross the billion-dollar threshold. (The Numbers, 2015)

The success of the original trilogy led Peter Jackson to also adapt *The Hobbit* into three films, serving as a prequel trilogy in the vein of *Star Wars*. Just like that trilogy, this one was commercially successful (with a total \$2.8 billion in worldwide grosses as of March 2015) yet faced both critical and fan scrutiny. In the end, the combined trilogies amount to \$5.8 billion. (The Numbers, 2015)

The franchise has spawned a wide array of merchandise – including numerous video games, actions figures, and costumes – and has earned a permanent place in pop culture, referred to as recently as December 2014 with political satire film *The Interview*.

With ten films running from 2001 to 2011, the *Harry Potter* series is the most successful blockbuster franchise in cinema history at \$7.7 billion in worldwide grosses. Three of these films have topped worldwide grosses, in 2001, 2005, and 2011. (The Numbers, 2015)

Along with Tolkien's works, J.K. Rowling's book series is also one of the most successful of all time. Overall, the brand, including the book series, is valued at \$15 billion dollars. (Aquino, 2011)

Ultimately, the aforementioned films of 2000 and 2001 paved the way for a plethora of similar films to follow. A breakdown of each genre and its highlights will follow, working from animation, to comics, to fantasy and science fiction book series.



## ANIMATION

2001's *Shrek* would go on to spawn three more sequels, with *Shrek 2* becoming the highest grossing film in 2004 and the highest grossing animated film until *Toy Story 3* in 2010. *Toy Story 3* would subsequently be dethroned by Disney's 2014 blockbuster *Frozen*.

The *Shrek* series would eventually become the worldwide highest grossing animated blockbuster franchise of all time at \$3.5 billion, easily eclipsing the *Ice Age* (\$2.8 billion), *Madagascar* (\$2.4 billion), *Toy Story* (\$2.0 billion), *Despicable Me* (\$1.5 billion) *Cars*, (\$1.4 billion) *Monsters, Inc.* (\$1.3 billion), and *Kung Fu Panda* (\$1.3 billion) franchises. Interestingly, the only franchise listed here that has an entry before 2001 is *Toy Story*, further giving evidence to the phenomenon started by *Shrek* and the original *Monsters, Inc.* (The Numbers, 2015)

Other notable stand-alones in the animated genre include *WALL-E* (2008), *Up*, (2008), *Tangled* (2010), *Brave* (2012), *Frozen* (2013), *The LEGO Movie* (2014) and *Big Hero 6* (2014). Each of these films ranked in the top tens of their years and grossed more than \$200 million at the domestic box office. (Box Office Mojo, G) (Though *Frozen*, *The LEGO Movie*, and *Big Hero 6* are all stand-alone films at the moment, there are planned sequels in the works).

As a sign that more hybrid films may be on the way in the future, *The LEGO Movie* and *Big Hero 6* combine multiple blockbuster subgenres into the animated genre. *The LEGO Movie* is based on a popular toy line and features various iconic characters from blockbusters past, such as DC Comics superhero Batman and *Star Wars* character Han Solo. *Big Hero 6* is actually a popular Marvel comic turned animated film – the first blockbuster of its kind.

While animated film franchises have enjoyed enormous success, they still pale in comparison to their live action counterparts, with films based on comics and superheroes and franchises based on fantasy and science fiction novel series enjoying the most success.

## COMICS

2000's *X-Men* brought the superhero film back into prominence after the original *Batman* franchise fizzled out in the mid nineties, and an emerging intertwining relationship between the blockbuster and popular comics would be cemented by mid-decade.

Following its release in 2000, *X-Men* would have two successful sequels follow in 2003 and 2006, with 2006's *X-Men: The Last Stand* boasting a series high domestic gross of \$234 million. During this same timeframe, the *Spider-Man* series and Christopher Nolan's *Batman* reboot would also be experiencing success.

Upon release in 2002, *Spider-Man* was the second major comic release in the new era, and an enormous hit, ranking number one for the year domestically with \$404 million and second globally with \$822 million (losing to *The Two Towers*' \$926 million haul).

In 2004, *Shrek 2*'s \$441 and \$920 million domestic and worldwide grosses would manage to overshadow *Spider-Man 2*'s \$374 and \$784 million, but *Spider-Man 3* would occupy the top spots both domestically and worldwide in 2007 with \$337 and \$891 million respectively. By the time of *Spiderman 3*'s huge commercial success, the superhero craze was just beginning to catch hold of American cinema. (Box Office Mojo, G) (Box Office Mojo, H)

Released in 2005, *Batman Begins* would be the first in Nolan's *The Dark Knight* trilogy, starring Christian Bale as Batman. While this film ranked eighth in its year of release, the two sequels would eventually become box office phenomena in 2008 and 2012.

In the year 2008 – the first year that the superhero really began to reign supreme – Nolan's *The Dark Knight* ranked number one for the year and became the fourth film to cross the \$1 billion benchmark, a record it only managed by \$4 million. (A complete list of billion dollar films in chronological order can be found at Appendix A.)

Also in 2008, the *Iron Man* series kicked off, coming in at second and eighth for the year domestically and globally, with \$318 and \$585 million respectively. Eventually, the success of this film would lead to the current box office powerhouse, the Marvel Cinematic Universe – a franchise shared by Marvel Studios, Paramount, and Disney.

In 2009, the first of two *X-Men* spin-off films focusing on Wolverine, the character played by Hugh Jackman, would be released, with another following in 2013. The success of the 2009 film would ultimately lead to a prequel and crossover trilogy beginning in 2011 with *X-Men: First Class*, starring bankable star Jennifer Lawrence, and continuing with 2014 release *X-Men: Days of Future Past*, which became the most commercially and critically successful entry in the series with worldwide grosses of \$748 million. A sequel is planned for 2016. (Box Office Mojo, F)

In 2010, *Iron Man 2* would rank third for the year, with two films in the same Marvel Cinematic Universe released the following year: *Thor* and *Captain America: The First Avenger*, ranking tenth and twelfth worldwide but garnering positive reviews.

In the biggest year of the superhero so far, 2012 featured *Marvel's The Avengers* and the final installment in Nolan's Batman trilogy, *The Dark Knight Rises*.

*The Avengers*, focused on Marvel's crime fighting super group featuring famous characters Iron Man, Thor, The Hulk, Black Widow, Hawkeye, and Captain America, went on to break multiple box office records, including the largest opening weekend in domestic history at \$207 million. Ultimately the film would become the third highest grossing film both domestically and worldwide, with a total gross of \$1.5 billion. (Box Office Mojo, E)

The film is only bested by James Cameron's hits *Titanic* and *Avatar*. (*The Avengers* would have been the second highest grossing film in the domestic market with \$623 million, but a rerelease of *Titanic* in early 2012 to commemorate the one hundred year anniversary of the ship sinking allowed the film to top the superheroes by a little over \$25 million.) (Box Office Mojo, D)

The genius combination of the various franchise films in Marvel, Paramount, and Disney's roster allowed for *The Avengers* to become the ultimate crossover film with maximum marketing appeal. As of March 2015, there have been ten films released in this shared universe since 2008, with two more due out later this year, including a direct sequel to *The Avengers* in May.

In all, there are eleven more films in this franchise planned for release through 2019, with the franchise currently ranked as the second highest grossing of all time (behind *Harry Potter*) at \$7.2 billion. (The Numbers, 2015) Also, the franchise includes numerous video games, two current television series on ABC titled *Marvel's Agents of S.H.I.E.L.D.* and *Marvel's Agent Carter*, and five spin-off streaming series in the works for Netflix based on various Marvel properties. (Marvel, 2015)

The second place film in 2012 was *The Dark Knight Rises*, which was not as successful as its predecessor in the domestic market, but ultimately crossed \$1 billion worldwide, eventually becoming the eleventh highest grossing film of all time at \$1,084 million.

Also, 2012 saw the arrival of a Spider-Man reboot, just five years after *Spider-Man 3* was released. This film, *The Amazing Spider-Man*, would rank seventh for the year with a worldwide gross of \$758 million. 2014 would see its sequel *The Amazing Spider-Man 2* rank eighth, grossing \$50 million less than its predecessor. Recently, it was announced that this particular franchise would be put on hiatus, as Disney worked out a deal with Sony to buy the rights of the character so that the Spider-Man character can join future *Avengers* movies, further strengthening the appeal of the Marvel Cinematic Universe. Even so, the *Spider-Man* franchise is the sixth highest grossing of all time at \$3.9 billion worldwide. (The Numbers, 2015)

2013 saw two Marvel Cinematic Universe extensions enjoy success, as *Iron Man 3* became the second highest grossing film domestically and globally with \$409 and \$1,215 million respectively. *Thor: The Dark World* would rank tenth for the year at \$645 million worldwide.

Also in 2013, a rival studio would begin an attempt at mimicking the success of the Marvel Cinematic Universe, with Warner Bros.' DC Comics' shared film universe beginning with 2013's *Man of Steel* – a Superman reboot. Unlike the failed reboot *Superman Returns* in 2006, this film fared much better with critics and fans alike, with the film ranking ninth worldwide – besting Marvel's *Thor: The Dark World* by \$23 million with \$668 million earned globally.

Following the success of *Man of Steel*, Warner Bros. announced a film series that includes a Batman reboot and Superman crossover slated for release in

2016 and an eventual massive Justice League film, featuring characters Superman, Batman, Wonder Woman, The Flash, and Aquaman, in the vein of *The Avengers*. The franchise universe also includes two current television shows on The CW, *Arrow* and *The Flash* with another based on Supergirl in the works. Overall, the studio plans to release ten films in this franchise between 2016 and 2020. (Cecchini, 2015)

Finally, 2014 saw the release of two more entries in the Marvel Cinematic Universe: *Guardians of the Galaxy*, which ranked third both domestically and worldwide with \$333 and \$774 million respectively, and *Captain America: The Winter Soldier*, which earned \$260 and \$714 million respectively.

While the comic book films obviously have managed to become wildly popular since 2000, with only increasing popularity on the horizon, another subgenre of blockbuster has also emerged as a juggernaut.

### FANTASY AND SCIENCE FICTION

*The Lord of the Rings* and its prequel trilogy *The Hobbit* both dominated worldwide box offices from 2001 – 2003 and from 2012 – 2014, respectively, crowning worldwide grosses in 2002 and 2003. The *Harry Potter* film series – consisting of ten films in all – also dominated the box office between 2001 and 2011, occupying the top spot worldwide three times – in 2001, 2005, and 2011. (Box Office Mojo, G)

While these two remain to be overwhelmingly successful and popular, similar film series also developed between 2001 and 2014.

The earliest was an adaptation of C.S. Lewis' beloved children's book *The Chronicles of Narnia: The Lion, the Witch, and the Wardrobe* released in 2005,

which ranked third worldwide with \$745 million, behind entries in *Harry Potter* and *Star Wars*. However, the two sequels to follow in 2008 and 2010 would see diminishing interest. By the 2010 entry *The Voyage of the Dawn Treader*, the franchise could only muster \$416 million worldwide, bringing production on any further book adaptations from the series to a halt. (Box Office Mojo, F)

The other franchises of this nature to follow would fare much better. 2008's *Twilight* – based on the seminal novel in a series of enormously popular young adult romance novels – ranked thirteenth worldwide at just under \$400 million. But the four sequels to follow would become huge hits thanks to a rabid teen fan base, a growing worldwide audience, and savvy marketing. *New Moon* – the sequel in 2009 – would generate over \$700 million worldwide, with the next two (*Eclipse*, *Breaking Dawn – Part 1*) posting similar numbers. *Breaking Dawn – Part 2*, the final entry in 2012, would earn over \$877 million, bringing the franchise to over \$3.3 billion worldwide and ranking eleventh among all franchises. (The Numbers, 2015)

Taking a note from previous blockbusters, *The Twilight* franchise also extended its reach by incorporating popular music. In this case, each film in the saga released a specially tailored soundtrack featuring music inspired from the film performed by various alternative, angst-driven rock bands. Matching the tone of the music to the tortured love themes heavily present in the series resulted in high sales, with each of the soundtracks debuting in the top three of the Billboard Top 200 albums. (*Billboard*, 2008 & 2009) The first two soundtracks debuted reached number one, with all five soundtracks selling over 5.8 million copies combined in the United States alone.

2012 would also mark the beginning of another enormous franchise – *The Hunger Games* helmed solely by a female heroine, Katniss Everdeen portrayed

by Jennifer Lawrence. Based on a popular dystopian, science fiction young adult book series, *The Hunger Games* would be the first time that an action blockbuster franchise would be carried by a female character.

Given that the actress is Jennifer Lawrence – who is key in the current *X-Men* revival starting in 2011 – it is no surprise that this franchise is shaping up to be an enormous success.

The film would go on to become the third highest grossing film in the domestic market of 2012 with \$408 million, only behind *The Avengers* and the final chapter in *The Dark Knight* trilogy. The film would eventually gross \$691 million worldwide.

With successive releases following in 2013 and 2014, *The Hunger Games* franchise has earned over \$2.3 billion worldwide with the much-hyped final entry slated for release in late 2015. The second film in the series – 2013's *Catching Fire* – was the highest grossing domestic release with \$424 million earned, marking the first time a year's highest grossing film was anchored solely by a female star. The film also ranks tenth all time among the top unadjusted domestic grossers. (Box Office Mojo, D)

Worldwide, *Catching Fire* ranked fifth for the year, despite being one of three films grossing over \$400 million at the domestic market – the others being *Iron Man 3* and *Frozen*.

Released in November 2014, the third film in the franchise – *Mockingjay Part 1* – grossed \$337 million stateside, which while less than its predecessor still brought it to second place in the domestic market for the year behind *American Sniper*. Even so, the film has earned \$753 million worldwide as of March 2015, ranking second in the franchise and fifth for the year. The franchise currently



ranks as the sixteenth highest grossing of all time at \$2.3 billion, with the final release in the series still on its way in November 2015. (The Numbers, 2015)

Like *Twilight* before it, this film series also tapped into its target young adult demographic through music, though not as successfully. Even so, “The Hanging Tree”, a song from the film composed by James Newton Howard and featuring vocals by Jennifer Lawrence, managed to peak at number twelve on the Billboard Hot 100 in late 2014 with virtually no promotion. (*Billboard*, James Newton Howard)

With the breakout success of the *Twilight Saga* and *The Hunger Games Series*, several studios began optioning other young adult novel series. 2014 saw the debut of two more young adult franchises – *The Divergent Series* and *The Maze Runner Series* – to mixed results.

Where the first *Twilight* and *Hunger Games* films grossed almost \$400 and \$700 million worldwide, the films to kick-start these two franchises did not quite reach those numbers.

Opening in the spring of 2014 and starring Shailene Woodley, *Divergent* ultimately grossed \$150 million stateside, barely cracking the top twenty for the domestic market. The film went on to garnering only \$289 million worldwide, less than half of *The Hunger Games'* numbers for its first film. Even so, four more releases are planned through 2017, becoming only the second action series to be helmed by a female star. (Box Office Mojo, F)

Opening in fall 2014, *The Maze Runner* barely grossed over \$100 million, coming in at thirtieth for the year in the domestic market. However, the film fared better overseas where grosses reached \$341 million. With sequels currently in the works, another young adult action franchise is born.

Early 2015 saw the latest in the trend of fiction series turned film series as the first novel in E.L. James controversial book series *Fifty Shades of Grey* was brought to the big screen. As of March 2015, the film ranks at number one for the year so far, both domestically and globally with \$160 and \$546 million earned. (Box Office Mojo, G)

While films based on fiction, comics, or centered on animation are among some of the most lucrative blockbusters, not every standalone and franchise can fit into these categories. The most notable are *The Pirates of Caribbean* and *Avatar* franchises and standalone film *Inception* (2012).

As one of the earliest franchises of the new era, Disney's *The Pirates of the Caribbean* began with *The Curse of the Black Pearl* in 2003. Inspired by Disney's "Pirates of the Caribbean" theme park ride that has been running since 1967, the film combines several pirate legends and tropes into an original work. Critically and commercially successful, the film ultimately grossed \$654 million worldwide, ranking third domestically and fourth globally. The sequel in 2006 – *Dead Man's Chest* – became the third film in cinematic history to gross over \$1 billion, grossing \$1.07 billion worldwide. (Box Office Mojo, F)

The third film *At World's End* released in 2007 was a box office success despite being critically panned. While it only ranked fourth in the domestic market, the film was the highest grossing of the year worldwide at \$964 million.

Originally conceived as a trilogy, Disney released another sequel in 2011, *On Stranger Tides*. This film ultimately grossed \$1.05 billion, making *Pirates of the Caribbean* the first blockbuster franchise to have two films gross over \$1 billion. That honor would eventually grow to include *The Dark Knight* trilogy and the *Transformers* series. (Box Office Mojo, E)

*Transformers* – based off of a Japanese toy line beginning in the eighties – was also released in 2007, to generally positive reactions. The film would ultimately rank fifth worldwide at \$709 million. Three sequels would follow in 2009, 2011, and 2014. The series reached its zenith with the 2011 sequel *Dark of the Moon* grossing \$1.1 billion. The 2014 reboot *Age of Extinction* would be the second film from the franchise to exceed \$1 billion in worldwide grosses, with \$1.09 billion earned. Ultimately, the franchise has generated over \$3.8 billion, ranking eighth among all blockbuster franchises. (The Numbers, 2015)

Following the James Bond reboot starring Pierce Brosnan that consisted of four films between 1995 and 2002, a new series would begin in 2006 with Daniel Craig starring as Bond in *Casino Royale*. The film and its 2008 sequel *Quantum of Solace* were well received worldwide, with both making \$599 and \$586 million respectively, all-time highs for a franchise that began all the way back in 1963, features 23 films, and ranks third all time. (The Numbers, 2015)

*Skyfall*, the third film released in 2012, would double the individual grosses of its two predecessors, becoming the first Bond film to gross over \$1 billion worldwide, coming in at \$1.1 billion. A fourth film titled *Spectre* is planned for release in late 2015. (Box Office Mojo, F)

The franchise with the most potential behind the Marvel Cinematic Universe would begin in 2009. Director James Cameron – known for *Titanic* – would best his own records by helming the highest grossing film of all time, *Avatar*.

As a space film featuring revolutionary special effects in the vein of *Star Wars*, containing a torturous love story reminiscent of *Titanic*, and focusing on an epic adventure in the vein of *The Lord of the Rings*, *Avatar* had all the ingredients to become a record breaking hit. The film became the first film to

surpass \$2 billion at the worldwide box office, surpassing *Titanic* (\$1.84 billion before its 2012 rerelease) by almost \$1 billion for a grand total of \$2.78 billion. Three planned sequels are currently in production, aiming for 2017, 2018, and 2019 consecutive releases. (Box Office Mojo, F)

As one can see, the blockbuster market became intensely crowded following Lucas' return in 1999 and the emergence of the big three blockbuster genres beginning in 2000 and 2001. To date, fourteen of the top twenty highest grossing film franchises did not exist before 2000, though every franchise in the top twenty has had at least one entry released in the last fifteen years. (The Numbers, 2015)

As of 2015, the blockbuster franchise remains at the peak it reached in 2011, causing the franchise period in the eighties to pale in comparison.

With so much competition, studios began to expend even more on marketing than previously imagined, utilizing everything possible to sell their films to the masses. Joining the prescribed strategy would be the most important media platform to emerge since television: the Internet.

## **ii. INNOVATIONS IN MODERN MOVIE MARKETING**

With the public use of Internet becoming relatively normal by the late years of the nineties, studios tentatively began exploring options for film marketing campaigns. Two of the most notable early forays into the Internet (beyond the trailer release for *Star Wars: Episode 1 – The Phantom Menace*) come from very different sources: *The Blair Witch Project* and *The Lord of the Rings*.

While 1999 may be the year of the return of George Lucas, it would also mark the year that modern viral marketing originated with *The Blair Witch Project*. Filmed in 1997 by a group of young actors and filmmakers, production for the film only cost \$22,000. (Lambie, 2013)

Six months before the film was set to debut at the 1998 Sundance Film Festival, directors Daniel Myrick and Eduardo Sanchez created a website that filled in the “backstory” for the film, alleging that the events depicted in the “found-footage” film were true.

When the film was sold to distributor Artisan Entertainment in 1999, the filmmakers continually updated the site with fake interviews, news articles, and other sources of information regarding the “disappearance” of the stars in the film. Artisan Entertainment also chose not to market the film traditionally, instead opting to show brief trailers at colleges and enlisting the Sci-Fi channel for a fake documentary, further setting the stage for the film’s release. While the marketing campaign ultimately cost \$25 million, news of the film and its content steadily gained media attention. (Lambie, 2013)

While information on the Internet could be shared in 1999, fact-checking websites could not be done quickly, allowing the information to maintain an air of mystery. The website accumulated millions of hits, with a community of fans forming before the film was even released.

After the opening weekend of the film, Artisan did not boast about the monetary performance. Choosing to showcase the power of the web, the company simply released a statement as follows: “blairwitch.com: 21,222,589 hits to date”. (English, 2013)

In all, the film would earn \$140 million at the domestic box office, ranking tenth for the year. Worldwide, it would go on to make \$257 million, recouping

over \$220 million for Artisan when all was said and done, making the film one of the most successful independent films of all time and further evolving and challenging the very definition of the blockbuster. (English, 2013)

Around the same time, director and writer Peter Jackson and co-writer Fran Walsh were exploring opportunities on the web with their *The Lord of the Rings* films. The result of their efforts was the exploitation of participatory fandom that would become integral to the marketing processes of various blockbuster franchises to come. (Shefrin, 261-262)

While Jackson and Walsh were both concerned with securing financing from a major studio – with New Line Cinema eventually buying the rights to produce and distribute the film – they were also concerned with maintaining the integrity of J.R.R. Tolkien’s enormously popular work.

To ensure that Tolkien’s generation-spanning fandom would be appeased, Jackson enlisted the aid of the Internet to gain access to millions of Tolkien fans.

In 1998, Jackson teamed up with Harry Knowles, an online media critic who runs the popular website *Ain’t It Cool News*, to answer twenty questions regarding the films’ production taken from a pool of 14,000 submissions.

His answers were very detailed, allowing the participating fans to feel like they were actually part of the process of bringing Tolkien’s works to the silver screen. And in some ways, they were. (Shefrin, 266-268)

Also interacting with various Tolkien websites – which totaled to more than 400 before the release of the seminal film in the original trilogy – Jackson took into account online fan suggestions for casting and the screenplay. He even made a formal announcement that he would adhere more closely than planned to the original works in response to a petition with over 16,000 signatures from TolkienOnline.com demanding he do so.

In January 2001, almost a full year before the December 2001 release of the first film *The Fellowship of the Ring*, New Line Cinema's official website for the film trilogy released a bevy of rich, interactive features in a first-of-its-kind move. The features released included video and audio clips, interviews with cast members, chat rooms, an interactive map of the world of the films, and links to the other prominent Tolkien sites. (Lyman, 2001) Now, this kind of detailed website is a must have for any aspiring blockbuster.

The result of such close contact with a fan base allowed for a participatory fandom to develop for *The Lord of the Rings* film trilogy – creating the cultural phenomenon that it remains to this day.

Because Jackson made Tolkien fans feel like they had an influence on the films, the fans felt more a part of the films than they would have otherwise. In the end, *The Lord of the Rings* trilogy generated a combined \$2.9 billion worldwide on a budget of around \$300 million, emerging as a massive financial success. The films were each critically acclaimed, becoming comparable to previous blockbusters *Titanic*, *Jurassic Park*, *E.T.: The Extra-Terrestrial*, and the original *Star Wars* trilogy.

With the Internet fast becoming a new medium with unique capabilities to reach target audiences, studios began changing the campaign process to match the evolving technology. While television remains the main component of any campaign – a status it has retained since *Jaws* in 1975 – the Internet has given studios and distributors new advantages and challenges.

One of the most lasting effects of the arrival of the Internet is how quickly information can be shared. Where word-of-mouth, both positive and negative, used to take at the very least a week to break or make a film, the Internet allowed that timeframe to be cut down exponentially. (Marich, 113)

Now, film critics and general viewers alike can share opinions faster than ever, in as little as a few seconds. While this can be dangerous to a movie that may not be high quality, the shareable nature of the Internet has also become a great ally to studios and distributors. (Marich, 115)

While a majority of blockbuster marketing campaigns and tactics have remained relatively the same since their introductions starting around forty years ago, films since 1999 have begun to rely more heavily on new media, including the Internet and other digital options.

However, the extent of the utilization of new media depends on whether a film's target audience can be easily reached through this medium. While blockbusters have large marketing budgets to spend anywhere that studios desire, smaller films – like *The Blair Witch Project* – or blockbusters geared toward a media-savvy, younger demographic – like *The Hunger Games* – generally focus on new media as it is accessible, cheaper, and skews younger. (Marich, 112)

From 2000 to 2005, studios and film marketers generally focused on a film's website as the main online marketing effort, updating it with new information and content routinely until the film's release – usually beginning at least ten months before. As early as 2003, though, the Internet experienced a shift with the arrival of social media. (Marich, 122)

With MySpace founded in 2003, Facebook beginning in 2004 and Twitter soon to follow a year later, social media and heavily trafficked third party sites in general were rapidly entering a period of popularity and importance. As of 2014, Internet users currently spend one out of every four minutes online on a social networking site. With over 1.23 billion monthly users worldwide on Facebook alone as of January 2014 (*PR Newswire*, 2014) the audience is there. The key is to create shareable, memorable content.



2006 would produce one of the earliest examples of an interactive online campaign for a film.

To promote the release of *The Da Vinci Code* starring Tom Hanks, Sony Pictures created, in partnership with Grace Hill Media and Google, a series of interactive puzzles, mirroring the puzzles that the characters in the film had to solve. The result was hundreds of thousands of participants and earned media coverage from *Good Morning America*, *Entertainment Tonight*, and *The Insider*. The film would ultimately earn \$218 and \$758 million domestically and worldwide, cementing the release of a lucrative though less successful sequel in 2009, *Angels and Demons*.

The following year in 2007, 20<sup>th</sup> Century Fox would create a secondary site to help promote its hybrid animated and live action film *Alvin and the Chipmunks*. The site titled [munkyourself.com](http://munkyourself.com) allowed users to make himself or herself into an animated chipmunk. Participants could then share the finished product with friends via email and social media. (Marich, 126) The film would eventually gross \$217 million, ranking ninth for the year at the domestic box office. (Two successful sequels would follow in 2009 and 2011.)

2007 would also see the most intricate attempt at online film marketing since *The Lord of the Rings* with Christopher Nolan's *The Dark Knight*, with the campaign going into effect over a year before its release. Mimicking the viral nature of *The Blair Witch Project*, Warner Bros. created a series of websites centered on themes from the film, including a website dedicated to the fictitious political campaign for character Harvey Dent that featured shareable "I Believe in Harvey Dent" posters. Another site titled [whysoserious.com](http://whysoserious.com) featured a teaser trailer that heavily focused on Heath Ledger's interpretation of DC comics villain The Joker. Incorporating physical copies of "The Gotham Times", the campaign

included a real life, city-spanning scavenger hunt requiring teamwork of fans of the series to unlock special content. (42 Entertainment, 2013)

By the end of the campaign, over 11 million unique participants from 75 countries had participated in the campaign, leading the film to become just the fourth film to cross \$1 billion globally and catapulting it into pop culture history.

By 2009, studios were vying for ambitious marketing campaigns for their tent pole, blockbuster films. 20<sup>th</sup> Century Fox and James Cameron would launch another in-depth campaign with their highest-grossing film of all time *Avatar*.

In August 2009, just five months before the film's release in December, Fox coordinated a mass release of materials pertaining to the highly anticipated film. (Hampp, 2010)

On August 20, the studio released the official trailer to Apple, breaking records when it streamed four million times in one day. The following day, Fox showed sixteen minutes of exclusive footage to moviegoers in 100 IMAX 3D theaters; Ubisoft debuted a trailer for the videogame based on the film; and Mattel unveiled its slate of action figures inspired by the film's characters. Fox also successfully saturated multiple social websites, including sizable efforts on Facebook, MySpace, Twitter, Youtube, and Flickr. (Mendoza, 2010) As of March 2015, *Avatar* has over 50 million "likes" on Facebook.

By December, the film's dazzling special effects would speak for itself, leading to the film becoming the first film to cross over \$2 billion in box office grosses worldwide. The groundbreaking motion-capture technology, reliance on digital film, and impeccable 3D graphics would actually be instrumental in theaters nationwide adopting screens and technology capable of accurately working with digital and 3D technology. (*The Hollywood Reporter*, 2014)

(For a closer look at the number one highest grossing films of all time, see Appendix B)

Also in 2009, Warner Bros. further expanded on earlier tactics originated with *The Dark Knight*. For *Terminator Salvation*, a reboot of the original *Terminator* trilogy, the studio created a viral website for Skynet, a fictitious company central to the plots of the films. (Marich, 133) This method would be repeated again for future blockbusters, with Universal channeling this most recently. For its upcoming *Jurassic Park* reboot titled *Jurassic World*, Universal created two interactive viral websites: one for Masrani Global – the corporation behind reviving the park from the original trilogy – and one for the park itself. The latter website offers an intricate view into the park, mimicking a real tourism website and adding a realistic layer to the storytelling. (Baker-Whitelaw, 2015)

Returning to 2010 and 2011, three more revolutionary campaigns from Disney Pixar's *Toy Story 3*, Paramount's *Super 8*, and 20<sup>th</sup> Century Fox's *Rio* would be put into effect.

With 2010's *Toy Story 3* – a franchise spanning fifteen years – Disney Pixar chose to create unique, nostalgia fueled viral videos to proliferate the Internet through social media. The content included vintage themed commercials for Lots o' Huggin' Bear (the villain from the film), an instant messaging chat with Buzz Lightyear and Woody, interviews with Mattel's Ken doll called "Groovin' with Ken" and his own advice series titled "Ken's Dating Tips". These creative approaches along with a Facebook app that allowed for advance purchase of the tickets generated buzz for the film, leading it to become the first animated film to cross \$1 billion. (Marich, 130)

2010 was a big year for Disney in general, as it announced that its 200 official Disney brand fan pages had accumulated over 100 million "likes" on

Facebook since their inception just a year a before. (Marich, 131) As of March 2015, the main Disney page has accumulated over 47 million “likes” alone.

In 2011, Paramount decided to execute a massive Twitter campaign for *Super 8* consisting of organizing 324 sneak previews with promoted Tweets just a day before the film. The result was 100,000 tickets sold, \$1 million in revenue, and favorable word-of-mouth that helped lead the film to a domestic haul of \$128 million. (McKee, 2011)

In a highly synergistic move, 20<sup>th</sup> Century Fox opted to cross-promote its animated bird film *Rio* with Rovio’s enormously popular mobile app *Angry Birds*. With both properties featuring and focusing on birds, the relationship was highly natural and felt noninvasive to fans of the game. The crossover titled *Angry Birds Rio* generated ten million downloads in its first week of release and seventy-five million in the months to follow. This crossover helped push the film to \$144 and \$485 million domestically and globally and helped buoy interest generating high home video sales and leading to a successful sequel in 2014. (Marich, 133-135)

2012 would also prove to be a highly innovative year for the era of digital and Internet marketing, specifically with films *Ted*, *The Hunger Games*, and *The Avengers*.

With *Ted*, Universal set up several ways for audiences to incorporate Ted – the bawdy, animated teddy bear and main focal point of the film – including a Talking Ted mobile app, a humorous blog, and technology to easily paste Ted into a personal picture of the participant’s choosing. (Karpel, 2013)

Utilizing the raunchy humor of the titular character, the official Twitter account of the film gained over 200,000 followers before the film was even released. Likewise, the Facebook account for the film accumulated almost 7 million “likes” before the film’s release. Because of the favorable audience

reception of the film, both accounts stand at 700,000 followers and 21 million “likes”. (Karpel, 2013) The film ultimately grossed \$218 and \$549 million domestically and globally, with a sequel planned for summer 2015.

In the same vein as *The Da Vinci Code* and *The Dark Knight* before it, Lionsgate launched an intricate online campaign for *The Hunger Games* several months before its November release. Also heavily focusing on Twitter and Facebook, the official movie accounts encouraged fans of the wildly popular book series to register for his or her “district” – an element key to the plot of the film – after which participants could compete against one another in various tasks. (Karpel, 2012)

Twitter and Tumblr accounts gave fans daily fashion advice, and a YouTube channel was routinely updated with the latest production information. Also incorporated into the campaigns for the rest of the films in the franchise, teaser trailers mirroring propaganda from the film have been heavily utilized – further creating a palpable atmosphere for the film that extends beyond the big screen. (Graser, 2013)

Rounding out 2012 releases, Disney and Marvel began a very complex marketing campaign for its record-setting release of *The Avengers*. In fact, the release of that film was five years in the making. (Faw, 2012)

In 2008 beginning with the films *Iron Man* and *The Incredible Hulk*, the Marvel Cinematic Universe stayed interconnected from both a marketing and storyline standpoint for the next five years. Through small cameos and stingers (bonus scenes after the credits of the films) other characters and films were consistently hinted at, (Faw, 2012) demonstrating that these characters coexisted in the same fictional universe.

As for merchandising, Hasbro in partnership with Marvel began a slow roll-out of the “Core Four” characters – Iron Man, the Hulk, Thor, and Captain America – beginning in 2008. By 2011, other Avengers Black Widow and Hawkeye would be added to the mix, driving up hype for the film in 2012. (Faw, 2012)

By 2012, Marvel and Disney had five major blockbusters focused on characters from *The Avengers* already released – *Iron Man*, *The Incredible Hulk*, *Iron Man 2*, *Thor*, and *Captain America: The First Avenger* – essentially using the previous successes of the films to sell *The Avengers* as the must-see event film of the year. Despite having enormous exposure from the previous films, the studios still heavily marketed *The Avengers*, using the sheer scope of the project as a major selling point. (Kit, 2012)

Marvel also teamed up with Walmart in one of the biggest merchandizing deals in the history of cinema with over 600 *Avengers* themed products for sale through the supermarket chain, including the Super Hero Augmented Reality App that gives users exclusive content only unlockable when actually inside a Walmart store. (Kit, 2012)

Marvel and Disney also focused on social media. In March 2012, a Facebook game titled *Avengers Alliance* became available, boasting 1.2 million daily users by the film’s release in May. (Faw, 2012)

The January before the release, key members of the cast and crew including Samuel L. Jackson, Tom Hiddleston, and director Joss Wheddon held a thirty minute live Twitter Q&A, becoming a worldwide “trending topic” and generating enormous buzz. The chat also included a ten second teaser of the thirty-second television spot used in the Super Bowl of that year. (Faw, 2012)

Overall, the various marketing tactics and previous goodwill established by the earlier films led the film to gross over \$1.5 billion worldwide, the third highest

grossing of all time behind *Avatar* and *Titanic*. These enormous numbers eventually lead into a massive multi-billion dollar film, television, and video game franchise. (Marvel, 2015)

The most recent film seen to be a marketing smash hit came from Disney, as it enters another period of success. Following the releases of crowd-pleasers and female driven films *Tangled* and *Brave* – which grossed \$592 and \$539 million worldwide in 2010 and 2012 respectively – Walt Disney Animations released *Frozen* in November 2013. (Box Office Mojo, H)

While the marketing was not necessarily groundbreaking, the strategy featured elements tried-and-true from past blockbusters. Like *Titanic*, the film featured award-winning songwriters and songstresses to sell two major songs from the production; Tony Award winning writers Robert Lopez and Kristen Anderson-Lopez penned all the lyrical songs for the film including “Do You Want to Build a Snowman?” performed by TV actress-turned-film-star Kristen Bell and “Let It Go” performed by Tony Award winning songstress Idina Menzel in the film and pop star Demi Lovato for the pop single.

As of March 2015, the soundtrack has sold four million copies in the United States alone and has spent thirteen non-consecutive weeks at the top of the Billboard 200. “Do You Want to Build a Snowman?” became a top forty hit, selling over a million copies. (*Billboard*, 2014)

“Let It Go” would be the main hit from the film. The two versions sold over four million copies combined in the United States, with Lovato’s version being a top forty hit and Menzel’s version becoming a top five hit. (*Billboard*, Idina Menzel)

The YouTube videos for both versions have racked up a combined 500 million views, becoming a pop culture sensation. In the year 2014 alone, *Frozen*

merchandise generated over one billion in sales, almost matching the 1.2 billion worldwide gross of the film. Most notably, *Frozen* overturned a recent trend in diminishing home video purchases, as the film sold 15 million digital, DVD, and Blu-Ray versions in the months following its home release to the tune of \$255 million generated for Disney. (Bulik, 2014)

While the film was not originally intended to be a franchise, Disney recently announced a sequel, just days before a seven-minute short titled *Frozen Fever* debuted before Disney's live action reboot of *Cinderella* in March 2015. With *Cinderella* poised to become a blockbuster itself (it made almost \$70 million in its opening weekend), the relationship was a very natural one, mimicking the tie-ins previously done by Disney's Marvel Studios.

With thirty-four planned reboots, remakes, or sequels already released or planned for release in 2015 – including additions to the *Star Wars*, *Jurassic Park*, *Terminator*, *Mad Max*, James Bond, and *The Hunger Games* franchises – the new age of the blockbuster and the blockbuster franchise is nowhere near slowing down, though the road to success has not been as easy as Hollywood would lead the masses to believe. (Busch, 2014)



## CHAPTER IV: THE BLOCKBUSTER ERA: ISSUES

### FROM PAST TO PRESENT

While a majority of this journey into the world of the blockbuster has centered on financial, critical, and popular triumphs, the blockbuster as a strategy and as a genre is not foolproof.

Since 1975, many films aspiring to be blockbusters have utterly failed, becoming known as “box office flops”. Other issues have also arisen in recent years, such as pirating, rising ticket prices, increased competition from video-on-demand and similar streaming services, and the recent domestic box office slump experienced in 2014.

Box office flops – sometimes called box office bombs – are generally described as blockbusters that never fulfilled the financial potential expected. These films are generally from major studios, have big production and marketing budgets, and oftentimes have famous stars, yet these films’ box office grosses fail to exceed or match the actual costs of producing, advertising, and distributing.

So far, the core tenants of the box office formula (an intricate marketing campaign – beginning months in advance and saturating the market in the days before the wide release – comprised of multiple advertising mediums that focus on the sellable, appealing elements of a film) have seemed to be foolproof. So why do certain films fail where others succeed so spectacularly?

The first example of the box office bomb comes as early as 1980 with director Michael Cimino's *Heaven's Gate*. Just after the enormous success of *Jaws* in 1975 and the beginning of the *Star Wars* franchise in 1977, the utter failure of *Heaven's Gate* sent shockwaves through Hollywood. (Robey, 2013)

While films had underperformed or underwhelmed before – 1963's *Cleopatra* and 1964's *The Fall of the Roman Empire* come to mind – never before had a film failed on such a large scale. With a budget of \$44 million, *Heaven's Gate* only managed to gross \$3.5 million worldwide, which in today's dollars amounts to an estimated loss of up to \$121 million. Subsequently, the result of the failure led to studio United Artists collapsing and being absorbed into Metro-Goldwyn-Mayer in 1981. (Robey, 2013)

However, the blockbuster strategy cannot be wholly attributed with the failure of this film. *Heaven's Gate* simply suffered from bad press and from being a poorly received film in general. It would not be until the second phase of the Blockbuster Era that the strategy would prove to fail beyond poor content.

All of the top five films with the greatest box office losses – when adjusting for inflation – have occurred since 1995. Two of the most stunning failures have occurred in the past five years during a period in which selling a major film seems to be a well-understood, systematic process. (Ellar, *Los Angeles Times*)

In 2011, Disney Animations released animated film *Mars Needs Moms*. On the surface, this type of film seems to be the perfect fit for the blockbusters that Disney typically releases. The film was animated and geared towards children (by 2011, this genre of the blockbuster was emerging as one of the most surefire) and set in space – in the vein of the *Star Wars* franchise and *Avatar*. The film was even

produced by Robert Zemeckis, the director of blockbusters like the *Back to the Future* franchise from the eighties, 1994's *Forrest Gump*, and 2000's *Cast Away*.

Despite having all of these elements, with a \$150 million production budget and Disney behind the marketing to boot, *Mars Needs Moms* only generated around \$40 million worldwide, with estimated losses to the tune of \$131 million (this number does not include marketing costs). It was also the first animated film to flop on such a large scale. (Barnes, 2011)

However, just two years later and Universal would hold the distinction of having the greatest flop of all time with samurai inspired *47 Ronin*. Starring Keanu Reeves – previous star of the bankable *Matrix* franchise running from 1999 to 2003 – the film had a production budget to the tune of \$225 million, with even more spent on marketing. The film only managed to gross \$151 million worldwide, with estimated overall losses surmounting to \$150 million. (Rich, 2013)

How could huge studios like Disney and Universal have such two major flops in recent years – arguably during the heyday of the blockbuster? The answer lies in both marketing and content.

The blockbuster strategy works best when coupled with a film that is at least decent. In these three previous cases – *Heaven's Gate*, *Mars Needs Moms*, and *47 Ronin* – these films were inherently bad, both poorly received critically and popularly.

*Mars Needs Moms* and *Heaven's Gate* both only managed scores of thirty percent out of a possible one hundred among Top Critics on review aggregate Rotten Tomatoes. *47 Ronin* fared even worse, only achieving a six percent rating.

In the case of *Mars* and *Ronin*, both films executed confusing marketing campaigns that never clarified the plots, ineffectively selling the film to the masses.

The lesson here is that even a massive blockbuster campaign cannot save a bad film, especially a campaign that cannot even manage to accurately market the material. With ever-increasing obstacles facing the modern blockbuster and the film industry in general, there is no time or money to be wasted when it comes to filmmaking and marketing.

Since 1975 – the first year that the average movie ticket cost over \$2 - the cost of going to the movie theater has steadily increased, though more quickly in recent years. In the twenty years following 1975, the average ticket only increased by about \$2.20, to \$4.30 in 1995. However, by 1999 the average cost passed \$5, and by 2013, the average ticket costs more than \$8. (Box Office Mojo, B)

While these rising costs can be attributed to the steady inflation of the US Dollar since the early eighties (Prince, 21), this is also a result of exhibitors charging more for theater amenities, such as 3D viewing.

In fact, 3D technology and 3D films have been on the rise since 2009, spurred by the release of *Avatar*. (*The Hollywood Reporter*, 2014) In 2009, according to the MPAA, just 3,269 screens out of 39,233 in the United States had 3D capabilities. By 2013, the number of 3D screens had grown to 14,483. Because of the expenses to install new technology, theaters – and distributors in a two-way deal – can charge more for movie tickets in general, even if a ticket is not for a 3D film. (MPAA, 2013)

The inflation that movie ticket prices have experienced since 1975 signal implications that go beyond a strain on the average moviegoers' wallet.

A singular question arises: can the “blockbusters” of the last fifteen years be considered as such? Should the records be based on the overall amount of individual tickets sold to see a film?

Discussed in the first chapter, the modern top ten highest grossing films of the domestic market is mostly full of movies released since 1997. (Box Office Mojo, D) But, when adjusted for inflation, only one film from this period remains in the top ten – and that is James Cameron’s *Titanic*, which still manages to fall from second to fifth place.

*Avatar* and *Star Wars: Episode I – The Phantom Menace* descend to fourteenth and seventeenth places, respectively. *Avatar* actually falls thirteen places from ranking number one. Similarly, *Marvel’s The Avengers* falls from third all the way to twenty-seventh. (Box Office Mojo, B)

Are modern blockbusters truly blockbusters if they are buoyed by rising ticket prices? Many would still say yes.

Regardless of inflation, today’s blockbusters are still earning a huge amount of money, on a more consistent basis and in spite of facing much more competition than their predecessors. The success stories are managing to overcome threats from television, streaming, and digital, emerging from a film market saturated to an unprecedented extent as record-breakers and record-setters.

While the very early blockbusters and the blockbuster prototypes sold more tickets, these films generally did not earn any money beyond the box office. Today’s blockbusters have a much broader reach, commanding millions of dollars from various ancillary markets – including an increasingly powerful global market.

While the ever-lucrative global market, various ancillary markets, and a growing dependence on tent pole, blockbuster franchises have ensured that studios continue to capitalize on the blockbuster genre and strategy, the

blockbuster – and the film industry in general – is facing obstacles never before seen that could result in an industry drastically changed forever.

### A. THE FUTURE OF THE BLOCKBUSTER

While the blockbuster enjoys its fortieth anniversary this year, coinciding with the release of Steven Spielberg's *Jaws* in 1975, it also is arguably on the brink of another major shift – perhaps even on the verge of entering a Part Three of the Blockbuster Era.

As discussed earlier, the blockbuster franchise has saturated the contemporary market with huge, action-driven films featuring special effects, spectacle and scope unseen in previous decades. To stand out in a film industry that is increasingly becoming homogenous in content, studios are expending millions of dollars on extensive, intricate marketing campaigns. Estimates reveal that the average cost of marketing a typical studio film now numbers over \$40 million, with the entire cost of the studio film approaching \$100 million when adding production costs. Blockbuster films can easily reach upwards of \$200 million when adding in production expenses and domestic and global marketing costs. (McClintock, 2014)

While this increase in prices could be offset by the increased ticket cost, ticket sales in North America are recently declining. In fact, only eleven percent of Americans saw a movie at least once a month in 2014, with many moviegoers only going to the theater around six times that year. (MPAA, 2014)

In 2014, 1.27 billion tickets were sold compared to 1.5 billion in 2004. (MPAA, 2014) The summer of 2014 was also the lowest grossing summer since

2005, and had a twenty-two percent decline in box office gross compared to the same period (May to August) in 2013. (Susman, 2014)

As domestic audiences continue to decline, studios set their sights overseas where business continues to be booming. In 2009, the international box office totaled \$31.6 billion. By 2014, that number had reached \$36.4 billion. In the same timeframe, the domestic box office actually decreased by \$200 million (from \$10.6 to \$10.4 billion). (MPAA, 2014)

With foreign audiences currently accounting for over seventy percent of Hollywood box office receipts, content and marketing strategies will continue to change, focusing on more culturally diverse topics, themes, and characters. This shift can already be seen with recent successful releases.

In 2009, director Justin Lin revamped the *Fast and the Furious* film franchise by featuring a much more ethnically diverse cast than the previous entries. The films to follow would use the same formula, with each release generating higher grosses than its predecessor. As of March 2015, the franchise is the fifteenth highest grossing of all time, and with a highly anticipated entry due in April, the franchise should continue to climb even higher. (The Numbers, 2015)

In 2014, a fourth entry in the *Transformers* franchise was released that heavily incorporated China into the plot. In the emerging film market, the film broke box office records previously set by *Avatar* in 2010, ultimately grossing over \$300 million in that nation alone. In comparison, the film grossed \$245 million in the United States and Canada. (Tartaglione, 2014)

Besides studios continuing to look overseas for new opportunities in the wake of declining theater attendance stateside, other challenges have manifested in recent years.

As the Internet continues to hold enormous sway over how people interact with their world, it also emerges as one of the biggest threats to the blockbuster strategy since the genre's inception in 1975. The Internet threatens to permanently morph the film industry in two ways: illegal pirating and streaming services.

Illegal pirating has been an issue since the dawn of home video in the late seventies, though in previous decades they were "bootlegged" – illegally filmed or copied editions. These products were much easier to trace, and the trade was more difficult to break into.

However, because of the relative anonymity and wide scale use of the Internet, online pirating is much more serious. Not only is it easier in the twenty-first century – illegally downloading a film is as easy as a click away – but with various online organizations that host illegal copies of films based overseas and using hacked or remote servers, there is virtually no permanent way to stop the various sites from making these illegal products available for the masses. (Bloom, 2015)

2014 would be the first year that a major film saw a diminished box office gross because of illegal downloads. Three full weeks before the film was set to release, a full version of Lionsgate's *The Expendables 3* – a film featuring action stars from blockbusters past like *Rocky's* Sylvester Stallone and *Terminator's* Arnold Schwarzenegger – was released online. In just one week, the film was already downloaded two million times; the film would eventually be downloaded more than sixty million times across the globe. (Lang, 2014)

The result was a paltry \$39 million gross by the end of its domestic run, despite the first and second films in the franchise earning \$103 and \$85 million in 2010 and 2012 respectively. *The Expendables 3* would end its global run at \$206



million, almost \$100 million less than the second film's \$305 million worldwide haul. While some questioned if the film being pirated so early on actually led to its box office woes, a recent study by Carnegie Mellon University revealed that if a film leaks online before its wide release, it can expect to lose up to twenty percent of potential revenue. (Lang, 2014)

Another threat from the Internet comes from alternative release windows stimulated by video-on-demand and streaming services like iTunes, Amazon, Google Play, and Netflix.

2014 also saw significant developments in this realm of the industry with two films in specific, *Snowpiercer* and *The Interview*.

While many in the industry continue to argue that the current film release strategy does not complement an increasingly technological and fast-paced society, *Snowpiercer* is the first major film to directly challenge the release window – specifically, the typical 90 days for a film to move from theaters to home video. (Pomerantz, 2014)

Distributed by The Weinstein Company, the film was a joint English and South Korean venture produced on a budget of \$40 million. Starring Chris Evans (popularly known as Captain America from the Marvel Cinematic Universe) the film focused on apocalyptic, dystopian themes and was set for a release date in July; on the surface, the film had all the makings of a blockbuster.

On the opening weekend, the film was given a nationwide release that included instant access on video-on-demand and just eight theaters. Eventually, the film would reach 356 theaters, generating just \$4.6 million domestically. However, the film was not deemed a box office flop. (Pomerantz, 2014)

While many in the industry felt that the film would have performed better with a more typical release strategy, The Weinstein Company saved millions of

dollars in advertising by opting against the norm and instead relying on positive word-of-mouth. Ultimately, the film would gross \$87 million from the global box office (Box Office Mojo, H) and around \$8.3 million from on-demand services, of which The Weinstein Company sees a higher profit. (Pomerantz, 2014)

Similarly, Sony's *The Interview*, a comedy starring Seth Rogen and James Franco, generated enormous press when controversial plot details involving assassinating the dictator of North Korea were revealed. After an online hacking attack launched on Sony in the weeks before the film's December 25, 2014, release resulted in thousands of documents being illegally distributed on the Internet, leaking sensitive information. After the same perpetrators made threats against moviegoers, most of the major nation theater chains pulled the film from their release schedules in fear.

Ultimately, the film was only shown in around 581 theaters, generating just \$6 million from box office grosses. Even so, the film was also released on video-on-demand services in the same period of time, leading to an unprecedented \$40 million generated from this medium by the end of January 2015. While the film ultimately cost around \$75 million to produce and market, Sony was still genuinely surprised by the numbers generated from its deals with the major streaming services. (Lang, 2015) Still, many expect similar, less extreme release strategies in the near future. (Faunghder, 2014)

While the streaming services can be valuable allies to the studios as seen with *The Interview*, some are also beginning to emerge as potential threats. As audiences continue to choose to stay home and binge-watch television shows and available films on Netflix, Hulu, Amazon and the like, these services are also venturing out into original film production and accompanying unique release strategies. (Regalado, 2014)

In recent months, Netflix has announced a series of deals that have increasingly left exhibitors and studios feeling uneasy.

For one, the company purchased rights to two films, awards contender and Idris Elba vehicle *Beasts of No Nation* and *Crouching Tiger, Hidden Dragon II: The Green Legend*. – the sequel to 2000's hit *Crouching Tiger, Hidden Dragon* which grossed over \$215 million worldwide. Netflix also announced that both films would be given limited theatrical releases coinciding with their streaming releases, further cementing the recent trend seen with releasing potentially big films this way. (McClintock, 2015)

Netflix has also recently revealed a four-film deal with comedic star Adam Sandler, a slate of documentaries with Leonardo DiCaprio, and four pictures with filmmakers Jay and Mark Duplass, though these original films will not be given theatrical releases.

Amazon also plans to produce or acquire eight to twelve films per year, though this company plans to release the films in theaters first with exclusive early viewings for Amazon Prime users as early as eight weeks after release. (McClintock, 2015)

While all of these options are driving customers away from the theater and back home, many in the industry suggest other methods to bring viewers back into cinemas.

Two of the most notable contributions to this conversation come from an article director Christopher Nolan penned for *The Wall Street Journal* and a special feature done by *The Hollywood Reporter* concerning the future of the film industry from the viewpoint of various experts.

While both articles point out different potential scenarios, both agree that studios and exhibitors must work together to continually revolutionize the

filmmaking processes and theater technology. This is necessary to once again create an atmosphere and viewing experience that cannot be replicated at home, which has occurred as home theater technology has expanded in recent years to include surround sound and 3D technology. (Nolan, 2014)

Theaters need to become more innovative and experimental to create more of an immersive experience for audience members, and with wider capabilities available with theaters, films will evolve to take advantage of new theater amenities.

Some new features are already in the works, including wrap-around screens from Barco, a Belgian digital cinema projector manufacturer, and 360-degree dome-shaped screens from Avatron Development USA. Douglas Trumbull, a video effects expert with a career spanning as far back as Stanley Kubrick's 1968 classic *2001: A Space Odyssey*, has also experimented with a new method of showing films called the MAGI process. This process shows frames of a film at such high speeds that the movie ends up feeling more like a window into another world than just a screen. (*The Hollywood Reporter*, 2014)

Regardless of what the future brings, the blockbuster is here to stay, though it may be significantly different from the trailblazers of yesteryear in technology, content, and strategy.

## CHAPTER V: FINAL THOUGHTS

Originating with Steven Spielberg's *Jaws* in 1975 and George Lucas' *Star Wars* franchise beginning in 1977, the blockbuster film would blaze onto the scene, effectively transforming American cinema for forty years and counting. The blockbuster would continuously evolve along with technology and changing culture into a cinematic juggernaut, ultimately emerging as a genre that is a cornerstone of modern film.

By the time of James Cameron's *Avatar* in 2009 and *Marvel's The Avengers* in 2012, the blockbuster as a strategy and genre would be formulaic, spectacular, and immense – where the art and nuances of filmmaking intersects with the extravagance and excess of business and marketing.

Fueled by evolving and revolutionary marketing tactics, the blockbuster would reach new monetary and cultural heights as the decades passed. What were once mere marketing tactics would become perfected tools of persuasion, driving films into grosses reaching into the billions. The saturated wide release that was so unprecedented for 1975's *Jaws* is now not only a mainstay for an aspiring blockbuster but also for most studio films in general.

As evidenced by the sheer number of film franchises appearing in the past fifteen years, almost every film that enjoys monetary success is eventually joined by a sequel, often becoming a full-fledged franchise in the same vein as George Lucas' *Star Wars* and Steven Spielberg's *Indiana Jones*.

Despite increased competition and overcrowding in the domestic film market, blockbusters still demand and attract extensive promotional partnerships with major brands, further proliferating into all aspects of popular culture. The ancillary markets – television, home video, the global box office, and the Internet and digital – continue to be boons to film marketers, constantly offering new opportunities for films to reach their audiences in affecting, interesting ways.

The blockbuster has transcended being just a film or a clever business strategy. It has emerged as a persuasive pop culture force, with the film industry enjoying attendance levels that outpace all other similar levels of entertainment combined – including major league sports and theme parks – and has maintained its prominence even in the wake of the domestic downturn of 2014. (MPAA, 2014)

When boiled down to its essence, the blockbuster is the result of revolutionary, daring minds. As the men behind *Jaws*, *Star Wars*, *Indiana Jones*, *E.T.: The Extra-Terrestrial*, and *Jurassic Park*, Steven Spielberg and George Lucas are the uncontested masters of the Blockbuster Era. Their creativity, discipline, and ingenuity inspired generations of filmmakers and moviegoers to come, resulting in the high-concept, bombastic, and increasingly layered fare that have become staples of the film industry in recent years and continue to dazzle audiences worldwide.

Others who have expounded and enhanced the methods pioneered by Spielberg and Lucas deserve credit as well. Peter Jackson, Alan Horn, James Cameron, and Christopher Nolan have all played pivotal roles in the

development of the blockbuster, cementing the genre as an art in itself. With *The Lord of the Rings*, *Titanic*, *Avatar*, and *The Dark Knight* trilogy between them, Jackson, Cameron, and Nolan have directed some of the highest grossing and most celebrated films of all time. Horn, as former President and COO of Warner Bros. and current Chairman of Walt Disney Studios, has overseen the releases of recent blockbuster bastions, such as the *Harry Potter* franchise, *The Hobbit* and *The Dark Knight* trilogies, *Frozen*, and the Marvel Cinematic Universe.

While these figures have been critical in the development of the genre, the various staff of the studios and distributors behind these films have played the most important roles of all: generating awareness. Without film marketing, exposure and awareness would never have reached a great enough point to allow films of this scope to be created in the first place. Because of marketing and the tent pole strategy, films continue to attract crowds large enough to fund entire studios for a financial year. The excess funds marketing can potentially generate justify any increasing costs.

Because of film marketing, audiences can have escapist blockbusters, and because of the tent pole strategy, audiences can also have nuanced, small-scale dramas, comedies, and awards contenders.

While the film industry and the blockbuster may be on the verge of undergoing drastic changes, one thing is certain: as long as there are great minds like the luminaries mentioned throughout, whatever the industry invents next is bound to be as thrilling as traveling at warp speed in the Millennium Falcon, as heartrending as embarking on a doomed voyage with the RMS Titanic, and as breathtaking as an expedition into the jungles of Pandora.

## APPENDICES

### APPENDIX A

<b>List of Films to Cross \$1 Billion Worldwide (in USD billions)</b>		
<b>Year</b>	<b>Film</b>	<b>Gross</b>
1997	Titanic*	\$2.19
2001	The Lord of the Rings: The Return of the King	\$1.12
2006	Pirates of the Caribbean: Dead Man's Chest	\$1.07
2008	The Dark Knight*	\$1.00
2009	Avatar*	\$2.79
2010	Alice in Wonderland	\$1.03
2010	Toy Story 3	\$1.06
2011	Pirates of the Caribbean: On Stranger Tides	\$1.05
2011	Transformers: Dark of the Moon	\$1.12
2011	Harry Potter and the Deathly Hallows Part 2	\$1.34
2012	Star Wars: Episode I - The Phantom Menace^	\$1.03
2012	Marvel's The Avengers	\$1.52
2012	The Dark Knight Rises	\$1.08
2012	Skyfall	\$1.11
2012	The Hobbit: An Unexpected Journey	\$1.02
2013	Jurassic Park^	\$1.03
2013	Iron Man 3	\$1.22
2013	Frozen	\$1.27
2014	Transformers: Age of Extinction	\$1.09
*Indicates at least one wide re-release		
^Indicates a film only surpassed one billion through a re-release		

Source: Box Office Mojo

Appendix A shows the films to cross \$1 billion in worldwide grosses in chronological order. Both *Star Wars: Episode I – The Phantom Menace* (1999) and *Jurassic Park* (1993) achieved this feat in a subsequent theatrical wide rerelease in the respective year listed above.



APPENDIX B

<b>All Time Number One Highest Grossing Films</b>			
<b>Year of Release</b>	<b>Film</b>	<b>Years of Record</b>	<b>Total Years</b>
<b>1915</b>	<b>Birth of a Nation</b>	<b>1915 - 1940</b>	<b>35</b>
<b>1939</b>	<b>Gone with the Wind</b>	<b>1940 - 1966</b>	<b>26</b>
<b>1965</b>	<b>The Sound of Music</b>	<b>1966 - 1971</b>	<b>5</b>
<b>1939</b>	<b><i>Gone with the Wind*</i></b>	<b>1971</b>	<b>27</b>
<b>1972</b>	<b>The Godfather</b>	<b>1972 - 1976</b>	<b>4</b>
<b>1975</b>	<b>Jaws</b>	<b>1976 - 1978</b>	<b>2</b>
<b>1977</b>	<b>Star Wars: Episode IV - A New Hope</b>	<b>1978 - 1983</b>	<b>5</b>
<b>1982</b>	<b>E.T.: The Extra-Terrestrial</b>	<b>1983 - 1993</b>	<b>10</b>
<b>1993</b>	<b>Jurassic Park</b>	<b>1993 - 1998</b>	<b>5</b>
<b>1997</b>	<b>Titanic</b>	<b>1998 - 2010</b>	<b>12</b>
<b>2009</b>	<b>Avatar</b>	<b>2010 - present</b>	<b>5^</b>
<b>*indicates a re-release brought the film back to number one</b>			<b>^ so far</b>

Sources: Six Degrees of Film, The Numbers, Box Office Mojo

Appendix B shows the number one highest grossing films of all time, including their release years and the amount of time they held the record. So far, only ten films have been in the number one spot since the beginning of the film industry in 1915.

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