

How Amazon could change your evening at the movies

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Going to the movies now consists of buying a ticket and sitting through some trailers. What if the entire evening was brought to you by Amazon?

According to a report by Bloomberg, the world's largest e-commerce company is in the mix for bidding on Landmark Theatres, the chain of movie theaters owned by Wagner/Cuban Cos., which is backed by sports and TV entrepreneurs Todd Wagner and Mark Cuban of "Shark Tank" fame. Amazon and Landmark had no comment.

Michael Pachter, an analyst with Wedbush Securities, pegs the deal as worth potentially \$60 million to \$120 million, which "is a rounding error for Amazon."

He thinks the e-tailer would want the chain as a way of guaranteeing theatrical distribution for filmmakers who make [movies](#) for Amazon. "They want red carpet premieres and box-office results," he says.

Amazon has torn up how traditional retail operates, has reinvented the way we interact with home radios and television sets, has roiled the grocery business and seems intent on reinventing health care. If it took on [theater](#) movie-watching, it would shake up an industry ripe for change.

The movie theater business has been flat for years. According to the Motion Picture Association of America, movie admissions in the U.S. and Canada in 2017 hit a 10-year low, falling 6 percent to 1.24 billion

tickets sold.

The success of MoviePass with consumers, the app that offers movie attendance subscriptions, "showed theaters the hard way that they have to innovate," says Andrew Wallenstein, co-editor in chief of show business publication Variety. The industry is "in desperate need of fresh thinking." (Theater chain AMC recently introduced a competing \$19.95 monthly subscription service.)

(MoviePass began offering subscriptions to unlimited movies monthly, but has since evolved to three films for \$9.99 monthly, and the choice of just 6 films to see.)

On home screens, phones and tablets, Amazon is locked in a battle with Netflix for the eyes of streaming video consumers. Amazon's Prime Video is part of the \$119 yearly plan that offers expedited shipping and entertainment. The company recently hired a new management team, led by the former entertainment president of NBC, to bring more viewers to Prime Video.

So what would an Amazon Theaters experience look like? Let's dream.

Day and date movies

For years, producers have dreamed of doing away with the window that puts films in theaters first, then makes them available for DVD and video on-demand, then streaming and finally TV distribution. Theater exhibitors have balked at making changes.

As the distributor of films such as "Manchester by the Sea," "Cafe Society" and "The Big Sick," which all played in theaters as well as the small screen, Amazon could change that equation and have the clout to inspire other chains to follow suit.

"Amazon would bring experimentation and help rethink what the business is," Wallenstein says.

He could even see films debuting on Amazon first and getting word-of-mouth awareness from the streaming run, and then opening in theaters afterward.

The theater would sell more than tickets

Amazon has a test grocery store in Seattle that lets consumers check out without waiting at a cash register—they just use an app to make the purchases.

And with last year's purchase of Whole Foods Market, Amazon has shown a desire to merge Prime membership with Whole Foods specials and discounts. It also sells Amazon products such as the Echo-connected speaker in the same store that's best known for organic food.

Imagine a new look to the theater lobby, which would offer Amazon products for sale, and perhaps the lockers Amazon has installed across the country, places where consumers can come pick up their products as an alternative to having them shipped to their home.

Perks

Prime members could get special discounts for Landmark movies, Q&A events with filmmakers and screenings that might only be available for free or a fee for Prime members, which is how the perks work now for Whole Foods customers. Amazon even introduced a Prime credit card earlier this year, with a flat 5 percent rebate on all sales at Whole Foods for Prime members.

Maybe not today, but eventually moviegoers might be able to purchase products directly off the screen, say Ben Affleck's sweater or Angelina Jolie's leggings, and then ship them home before the film finishes, says Stephen Beck of industry consultant cg42. "It won't happen overnight, but it's certainly a possibility," he says.

Better movies

So far, Amazon has put most of its resources towards series for Prime, such as the Emmy-nominated "Marvelous Mrs. Maisel." In films, it has specialized in independent, art-house fare. Perhaps having a home brand chain in which it could guarantee 250 screens to start would enable it to compete for movie rights with Netflix and the traditional studios more effectively and get stronger fare.

The Landmark chain has more than 50 theaters in 27 markets and specializes in a mix of major studio and independent fare. Its theater on the west side of Los Angeles is one of two in which major films are often first introduced, and it's a standard stop for directors of stars of films to do Q&As with audience members at public screenings.

Films produced by Amazon, including Oscar nominees and winners "The Big Sick" and "Manchester by the Sea," are part of the Prime subscription, which for \$119 yearly offers expedited shipping and entertainment. Several of the Prime Video series are up for Emmy awards, but Amazon is far behind Netflix, with 22 nominations, to 112 for Netflix.

Original movies on Amazon have helped fuel the e-tailer's video-on-demand business, bringing viewers to purchase [films](#) for rental beyond the Prime Video offerings. Pachter says Amazon is bringing in \$1 billion yearly from video-on-demand.

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