

Will movie theaters survive COVID-19?

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Distributors hold much of the power in the film industry, and will have a major role in what happens in the shadow of COVID-19, says Derek Long, a professor of media and cinema studies at Illinois who focuses on the film distribution system in his research. The virus has added to longstanding trends working against theaters, but “theaters and moviegoing won’t disappear.”. Credit: Michael Trevis

The season of blockbusters is upon us, but theaters have been empty for months—and it's unclear what they'll show, or who will come, when they reopen. Derek Long focuses on the history of the film industry, in particular film distribution, as a professor of media and cinema studies at Illinois. He spoke with News Bureau social sciences editor Craig Chamberlain about the state of movies, current and future.

Many businesses will struggle to bring back customers in the shadow of the coronavirus, but what are the particular challenges for movie theaters?

Movie theaters have always relied on people's disposable income, which will obviously be in short supply for a while. Plus, going to the [movies](#) isn't exactly cheap anymore. Even when people feel safe in crowds again, casual moviegoers are likely to save their money for the more directly social experiences of bars and restaurants. Those committed moviegoers who do show up are more likely to forego their popcorn and other treats, be it out of frugality or fear of the virus—which is another challenge, since theaters make most of their money on concessions rather than [ticket sales](#).

Despite the uncertainties, some big films are still on track for theatrical release this summer. This seems a risky bet. What's the thinking?

Because COVID-19 has cleared the release calendar for the next few months, it has created a situation where the studios are having to play sort of a game of chicken as reopenings start to occur. Basically, someone has to swerve first. It's definitely a gamble for those distributors planning July releases, but it could also—potentially—be very lucrative for them, since their product will have basically no

competition on screens and they might be able to capitalize on any pent-up demand for new movies. That seems to be the bet with Christopher Nolan's "Tenet," which will be the only new film in theaters for a solid week if it is released as scheduled.

You note that distributors hold much of the power in the film industry, yet get little attention by those who study it. What's the role of distributors in determining what we see, and where and when? Where's their focus as they navigate the current crisis?

Distributors determine the release schedules of films to theaters as well as home video and streaming, and they are responsible for marketing and creating an audience for those releases. That means they have significant power in determining which films get made in the first place. The big distributors also tend to be extremely risk-averse, which is why you've been seeing a seemingly endless parade of franchise films, sequels and remakes in theaters for the past decade. The big distributors are loath to fund any production that hasn't been pre-sold based on highly marketable source material or big-name talent. As a result, I think the near-term focus for the major distributors will be managing the risks and rewards of releasing films in theaters.

Even before COVID-19, distributors were pushing to shrink the time between a movie's theatrical run and its release on home video formats; the virus has made that impulse even stronger. Playing films in [movie theaters](#) is still a major part of distributors' income, so it's not as simple as just switching all releases to digital rentals or streaming, which can't yet bring in anything close to the amount that a theatrical release can.

But if the virus continues to keep most moviegoers away from theaters into 2021, we could see permanent shifts in the way that we watch new [films](#). Movies might increasingly premiere directly to digital-on-demand formats, as "Trolls World Tour" did in April. Distributors will manage that change no matter what happens, whereas the future of theaters under that circumstance is much less certain.

Are movie theaters destined to decline over the long run, with or without the virus? Or could changes in the theatrical experience lure people back?

COVID-19 has exacerbated longstanding issues that have been shaping the economics of movie exhibition for some time. Independent theaters and smaller chains were already struggling after the transition to digital projection a decade ago and increased competition from mobile devices and streaming platforms. We've seen the impact of that decline recently with the bankruptcy of Goodrich Quality Theaters, a Midwest-based chain. Even some of the big chains like AMC might not survive if COVID-19 keeps moviegoers out of theaters into the fall and winter.

None of this necessarily means that theaters will close for good, but the changes we've been seeing for many years are only going to accelerate in the face of virus-related uncertainty. That said, movie exhibition as a whole has always been a surprisingly resilient business, and it has survived pandemics, depressions and technological change in the past. The desire to see movies on opening night with a crowd and to be part of a cultural conversation is still there, and we could very well see a resurgence in moviegoing once people feel safe to mingle in public again.

Regardless of what eventually happens with the virus, exhibitors will be forced to find new ways of making the theatrical experience appealing.

Theaters and moviegoing won't disappear. But they could look very different.

Provided by University of Illinois at Urbana-Champaign

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