

The pandemic has shaken up the movie business

Studios and streaming platforms will reckon with the impact of lockdowns

The Economist, Nov 17th 2020 BY RACHEL LLOYD

THE SAGA OF “Tenet”, Christopher Nolan’s latest time-twisting thriller, exemplifies the difficulties that directors and film studios have faced during the coronavirus pandemic. Initially scheduled to hit cinemas on July 17th 2020, the film was pushed back to July 31st and then August 12th. Warner Bros then said it would be released later in August, but only in certain countries. Its premiere in America was scheduled for September—with “select” cities (ie, those that had loosened lockdown restrictions) getting priority. Film executives complain that each of those delays cost them money.

Covid-19 has wreaked havoc on the movie business. Film sets were shuttered for months. Promotional tours were called off. Festivals such as Cannes, where the biggest titles of the year have their premieres, were cancelled or reconfigured as online events. Many distributors opted to reschedule their biggest blockbusters to 2021, when they stand a better chance of making a profit at the box office. That will mean a glut of big-budget films; even cinephiles are unlikely to see them all.

With audiences cooped up at home, the pandemic has also made ascendant streaming services more powerful. Netflix added 10.1m new subscribers globally in the second quarter of 2020 (against a forecast of 8.3m). According to Ofcom, a media regulator, Britons spent an average of six hours and 25 minutes a day in April watching television and online video content—an hour and a half more than in 2019. Whereas studios once put their poor or middling stuff online, they are now peddling their premium content there, too. In September Disney released its live-action remake of “Mulan”, which cost \$200m, on Disney+, its streaming service, for an extra fee.

Some cinemas have had to compromise on their exclusivity rights as a result. Universal’s decision to release “Trolls World Tour” online and in limited venues simultaneously resulted in a new agreement with AMC over theatrical premieres and digital releases. AMC cinemas used to be able to screen a Universal film for 90 days before it went online; now that period has been changed permanently to 17 days.

All this has knock-on effects for awards shows. For the Academy Awards, due to take place in April 2021, a “temporary exception” has been made to the rules so that films that premiered on streaming services are eligible. Such companies had long circumvented the previous rules by releasing their best films in their own cinemas—Netflix earned the most nominations of any distributor at the Oscars in 2020—but this change puts them in an even stronger position.

In 2021 film studios and on-demand platforms will also have to reckon with the longer-term effects of lockdowns. With production suspended for several months—the average Hollywood film takes 106 days to shoot—a dearth of new content looms. Streaming services, which rely on a jam-packed schedule to appeal to consumers, may struggle to retain subscribers. And for cinemas, it may mean yet more empty seats.

Rachel Lloyd: editor, Prospero blog, The Economist ■

This article appeared in the Culture section of the print edition of The World in 2021 under the headline “Hollywood quake”