

# Revolutions in Hollywood Movies and Outer Space

**O**n a morning in 1981, I awoke at 4 a.m. and witnessed a revolution—the liftoff of the very first space shuttle. Cut to 2011, when I found myself in the world headquarters of Space Exploration Technologies Corp. (SpaceX) and its enormous assembly hanger. This was a once-in-a-lifetime opportunity to watch the preparation of the capsule, fuel tank, and engine package for what will soon be the first private rocket—the Falcon 9—to dock with the International Space Station. In the sterility of the hanger’s ultraclean environment, there was no mistaking the electricity that comes with a revolution about to happen. If you’ve ever felt it, you know what I mean.

The experience caused me to consider a similar revolution occurring in Hollywood. While I had fulfilled every little boy’s dream of touching a real spaceship—a privately owned one at that—it struck me that space flight used to be untouchable, something to which we’d never have access. Being a movie star seemed more attainable. But as space is now becoming accessible, so too is access to content and, in particular, movies.

For Hollywood studios, rigidly defined distribution windows have traditionally dictated the sequential release of a movie: first exclusively in theaters, then on DVD, then on premium cable, and so forth. While Disney has made some recent moves to compress these windows, the studios and exhibitors are kicking and screaming their way into every change. Previously pleasant relationships are being strained as theater owners try to maintain their place in the chain and studios try to bleed out as many bucks as are left in Walmart’s dying (but still substantial) DVD revenues.

As these battles distract the traditional Hollywood players, new platforms are quickly sneaking past the guards. For instance, kiosks—and particularly those owned by Redbox—offer \$1 rentals outside every 7-Eleven in my neighborhood. Without so much as a heads-up to Hollywood, Netflix went off and made an almost \$1 billion deal with upstart television channel EPIX to stream its movies online. Throw in cable, video on demand, a renewed interest in 3D, and a crisp format called Blu-ray, and you start to understand what all the excitement’s about.

We’re seeing an important cultural shift—a shift from ownership to access. For my generation, there was something inherently special


about having your favorite movies and music sitting on a shelf. Later, when my former partners from the pop group \*NSYNC sold 2 million CDs in the first week of their new album, it signaled that a culture of content ownership was still thriving, even for those generations that came behind my own. Yet for the under-25 crowd today, there’s little value in physical ownership. However, there is tons of value in access ... and access everywhere.

Hollywood studios have traditionally been masters at monetizing ownership, but they’re still trying to understand the very different expertise of monetizing access. Yet, while studios aren’t built to be machines of innovation, I’ve seen a couple kernels of thought, which might indicate that a few people at studios could be starting to get it.

The Digital Entertainment Content Ecosystem (DECE), for instance, is made up of most major studios and retailers. The two notable holdouts—Disney and Walmart—each have their own similar initiatives. The DECE is launching technology known as UltraViolet, under the premise that consumers can “buy it once, and play it anywhere.” In other words, once you’ve purchased a movie, you should be able to reach into a digital locker in the cloud, grab your movie, and put it onto any device. This means you don’t have to purchase the same content for different devices ... because that didn’t work so well for the music business. It may or may not ultimately turn out to be the way we purchase entertainment in the future, but at least the studios have injected themselves into a more forward-looking discussion.

Likewise, the studios want to bring movies digitally to your living room almost immediately after theatrical releases. Dubbed “premium video on demand,” it won’t be for the value-conscious consumer, and I suspect that the studios will get better results by skyrocketing the price and offering it on the same day as a film’s theatrical release, but at least it’s a start.

*That **didn’t work** so well for the music business.*

So when the moment comes for you to nerd-out like me and herald the new beginning marked by the launch of SpaceX’s next Falcon 9 rocket, use it as an excuse to pause and consider those similar new beginnings happening throughout Hollywood and content of all kinds. Lights, camera, liftoff. 

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