

DreamWorks Bets on 3D

Ronald Grover

CEO Jeffrey Katzenberg says all new movies from his studio will be 3D.

Jeffrey Katzenberg remembers the exact day he saw the future of Hollywood filmmaking unfold before him. It was five years ago, at the screening for director Robert Zemeckis' *Polar Express*, the Tom Hanks fantasy flick about a conductor who takes kids aboard a magical train to the North Pole. Katzenberg was invited to see the 3D version of the holiday film developed just for IMAX theaters. When the train flew off the tracks at one point, "my jaw dropped," recalls Katzenberg, the CEO of DreamWorks Animation SKG (DWA). "It was the most exhilarating thing I had seen on a screen in a long time."

Katzenberg says he then became a tireless advocate for bringing 3D movies to filmmakers and theater owners. That meant hitting every industry conference on the subject and joining forces with Zemeckis and director James Cameron to proselytize the wonders of 3D. Cameron, of course, was among the believers. He went on to create the 3D blockbuster *Avatar* for Fox (NWS), which Box Office Mojo says has grossed a record \$2.7 billion worldwide. Director Tim Burton recently followed Cameron's *Avatar* with a 3D version of *Alice in Wonderland* for the Walt Disney (DIS) that so far has grossed \$265.4 million. In each case, higher-priced 3D tickets helped boost the box office take.

That's one reason why Katzenberg wants to cash in on the 3D craze. Every film DreamWorks makes from now on will be made in 3D, he says. Starting with the Mar. 26 release of the computer-animated film *How to Train Your Dragon*, DreamWorks will release three 3D films, including the latest installment of its *Shrek* franchise, *Shrek Forever After*, which is set to make its debut on May 21. *Megamind*, the tale of a caped superhero who is forced back from retirement to save the world, will be out on Nov. 5, in time for the typically strong Thanksgiving holiday.

An Extra Dimension of Money

More than any other studio chief, Katzenberg recognizes that 3D has added a new dimension to films beyond the viewing experience: higher profits. Making a 3D flick adds \$10 million or so to its costs, he says. (That's on top of a computer-generated animation film that can run to \$150 million or more to produce, say several Hollywood people who make such films.) But that investment has paid off for DreamWorks. About 60% of ticket sales for last year's 3D film *Monsters V Aliens* went for the 3D version, says Katzenberg. Those higher-priced tickets likely accounted for as much as 10% of the flick's \$198 million U.S. box office, he says. The movie went on to sell another \$183 million worth of tickets overseas, playing in both 3D and the traditional 2D formats.

How to Train Your Dragon has a shot at doing even better. A week before its opening, the DreamWorks film recorded a perfect 100% score on the site Rotten Tomatoes, a rarity that means each of the 11 reviewers who have seen it has given it a positive review. Lazard Capital Markets analyst Barton Crockett, who previewed the movie recently with other financial analysts, predicts that it will open to a hefty \$61 million weekend and gross \$211 million worldwide. Crockett rates DreamWorks a "buy."

I'll leave the predictions of box office receipts to other Hollywood handicappers. But having attended the movie's premiere on Mar. 21, the film features dragons that fly over your head, come up from behind you, and in one scene, seem to be buzzing around your head. It is, simply, a heck of a ride, made all the better by the 3D technology.

Too Few Screens

Katzenberg predicts that more people will expect to have similar experiences when they go to the movies, fueling a rise in the number of theaters able to show 3D movies. While there are roughly 3,500 3D screens in the U.S. (the U.S. has approximately 39,000 movie screens overall), theater owners are clearly jazzed by Avatar's boffo box office. That means they will hike the number of 3D screens to "close to 5,000" by the time Shrek opens in May, Katzenberg says. In addition, he wisely locked up most of IMAX Corp.'s (IMAX) 139 gigantic 3D screens for his film, giving Dragons the same showcase that helped create buzz for both Avatar and Alice in Wonderland.

Could DreamWorks' 3D strategy bomb? Do movie theaters sell popcorn? There will be plenty of other 3D films jostling for the still relatively few 3D screens in the U.S. Alice is hanging around. Warner Brothers (TWX) will release its action flick Clash of the Titans in 3D the week after Dragon opens. Later in the year, Disney will send out the third installment in its Toy Story blockbuster in 3D, two weeks after Shrek opens. More films jostling for a finite number of 3D screens will mean that some studios are going to miss out on higher-priced 3D tickets.

That's why marketing deals are still so important for the financial success of a movie—no matter how many dimensions the film is shown in. For DreamWorks' upcoming Dragon movie, McDonald's will offer Dragon Happy Meals. Wal-Mart, meanwhile, has gone Dragon crazy, setting up How to Train your Dragons retail areas in 2,500 of its stores. The retail giant is paying for a blitz of TV and print commercials and has begun running ads in 4,600 theaters, as well. Three days before the film opened, a 40-foot Viking ship "docked" in New York's Time Square.

A huge promotional push for the flick is also in 3D theaters showing Avatar and Alice in Wonderland. As people put on their glasses to watch those movies, they first get a 3D trailer for How to Train Your Dragon. "We think people who love those films in 3D will want more, and we've got the goods to show them," says marketing chief Anne Globe. Maybe then a few more jaws will drop open in amazement.

Fonte: BusinessWeek. Disponível em: <www.businessweek.com>. Acesso em: 25 mar. 2010.