

How *The Interview's* VOD grosses could change the game

By Lindsey Bahr
The Associated Press

LOS ANGELES — Sony appears to have a win-win with *The Interview*. Not only did the studio score a moral victory by releasing the film in the face of hacker threats, the movie made at least \$15 million from more than 2 million digital rentals and purchases in its first four days.

In late December, it seemed unlikely we'd ever know if the simultaneous — or “day-and-date” — strategy paid off. Now, it's tempting to suggest this may be the start of a brave new world of distribution. Add in the \$2.8 million from *The Interview's* limited theatrical release and things aren't looking so bleak for the R-rated comedy starring Seth Rogen and James Franco.

But the story is far from over and many are divided about its outcome. For some, *The Interview's* impressive video-on-demand (VOD) performance is an anomaly. For others, it signals a revolution.

“It's a huge number and it's one that is probably making the other studios salivate,” said Jeff Bock, a senior box-office analyst for Exhibitor Relations. “Now there is something to put on the bulletin board that says, ‘Yes, VOD is definitely a viable option.’”

But one might also post on the bulletin board that it's standard industry practice not to release VOD figures. That's why the



(AP Photo/Columbia Pictures - Sony, Ed Araque)

UNCONVENTIONAL RELEASE. Actor Randall Park (left photo, center) portrays North Korean leader Kim Jong Un in Columbia Pictures' *The Interview*. In the right photo, a South Korean army soldier walks near a television screen showing an advertisement of the film at the Seoul Railway Station in Seoul, South Korea. The *Interview* was never supposed to be a paradigm-shifting film. But unusual doesn't even begin to describe the series of events that transpired last month, culminating in the truly unprecedented move by a major studio to release a film in theaters and on digital platforms simultaneously.

public only hears about them when they're good. For instance, 2011's *Bridesmaids*, which had already been released theatrically, made \$24 million from VOD in four months, allowing Universal to declare it the most popular VOD release of all time. But how many VOD bombs have there been?

Also, if Sony hadn't been hacked and this film wasn't pushed to the center of a national conversation, it could have easily made \$20 million to \$25 million on opening weekend — not unlike *Pineapple Express*, a similarly raunchy R-rated comedy starring Rogen and Franco. This would have come far closer than VOD did to paying off *The Interview's* \$40-million production budget and roughly \$10 million marketing cost.

Historically, the movies that

have prospered with a simultaneous theatrical and VOD release have been the ones with the smaller budgets, destined for art houses and independent theater chains.

For example, J.C. Chandor's Wall Street thriller *Margin Call*, a \$3.5-million movie that Lionsgate and Roadside Attractions acquired for \$1 million, was released in theaters and on demand in the fall of 2011 and picked up around \$5.4 million from theatrical and another \$5 million from VOD. Magnolia, IFC, and Radius-TWC have all had similar success stories.

On the other hand, the major studios haven't had the option to even test day-and-date strategies because it would jeopardize the 90-day release window required by big exhibitor chains. In 2011, Universal tried to release their



(AP Photo/Ahn Young-joon)

Ben Stiller comedy *Tower Heist* on VOD for \$59.99 just three weeks after its theatrical opening, but theater owners balked and chains like Cinemark threatened to cancel their showings. Universal ended up scrapping the plan.

Sony, meanwhile, only started pursuing digital options after the major theater chains dropped the film following hacker threats to blow up theaters.

In addition, many exceptional conditions factored into *The Interview's* first weekend. It became an unlikely event movie, and seeing *The Interview* was akin to asserting one's freedom of speech. That's buzz you can't buy.

“We don't want to be told what we can and cannot watch,” said Rentrak's senior media analyst Paul Dergarabedian.

That also applies to underage

teen audiences, who were suddenly able to easily and affordably access an R-rated movie.

Bock thinks that even when the extraordinary, awareness-boosting events surrounding *The Interview* are taken into account, the film's hybrid opening still has the potential to change everything, even if it takes years.

“The truth is, the VOD obliterated the theatrical,” said Bock. “When you think about what the real future of distributing films is, it's got to be as easy as one click. If that's as quickly as you can get money from people, well, the studios are going to listen. It's just economics.”

Others, like Dergarabedian, believe the old model will prevail, but with VOD growth.

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South Korean to drop Sony film in North by balloon

By Hyung-jin Kim
The Associated Press

SEOUL, South Korea — A South Korean activist says he will launch balloons carrying DVDs of Sony's *The Interview* toward North Korea to try to break down a personality cult built around dictator Kim Jong Un.

The comedy depicting an assassination attempt on Kim is at the center of tension between North Korea and the U.S., with Washington blaming Pyongyang for crippling hacking attacks on Sony Entertainment. Pyongyang denies that and has vowed to retaliate.

Activist Park Sang-hak says he will start dropping 100,000 DVDs and USBs with the movie by balloon in North Korea as early as late January. Park, a North Korean defector, said he's partnering with the U.S.-based nonprofit Human Rights Foundation, which is financing the making of the DVDs and USB memory sticks of the movie with Korean subtitles.

Park said foundation officials plan to visit South Korea around January 20 to hand over the DVDs and USBs, and that he and the officials will then try to float the first batch of the balloons if weather conditions allow.

“North Korea's absolute leadership will crumble if the idolization of leader Kim breaks down,” Park said by telephone.

If carried out, the move is expected to enrage North Korea, which expressed anger over the movie. In October, the country opened fire at giant balloons carrying anti-Pyongyang propaganda leaflets floated across the border by South Korean activists, triggering an exchange of gunfire with South Korean troops.

But it is not clear how effective the plan will be, as only a small number of ordinary North Korean citizens are believed to own computers or DVD players. Many North Koreans would probably not risk watching the movie as they know they would get into trouble if caught. Owning a computer requires permission from the government and costs as much as three months salary for the average worker, according to South Korean analysts.

Not everyone supports sending balloons into the North, with liberals and border town residents in South Korea urging the activists to stop. North Korea has long

demanding that South Korea stop the activists, but Seoul refuses, citing freedom of speech.

Park said the ballooning will be done clandestinely, with the pace picking up in March when he expects the wind direction to become more favorable.

Calls to the Human Rights Foundation were not

immediately answered. The foundation says on its website that it works with North Korean defectors to use hydrogen balloons to send material across the border, as well as smuggling items through China and broadcasting radio transmissions to reach those who own illegal short-wave radios.

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3		4	7		8
	5	1	3	9	
2		5	8		7
9	2			7	6
5	3			8	1
8		9	4		3
	4	8	2	5	
1		6	5		2

Difficulty level: Easy

#34785

Instructions: Fill in the grid so that the digits 1 through 9 appear one time each in every row, column, and 3x3 box.

Solution to last week's puzzle

Puzzle #34761 (Hard)

All solutions available at <www.sudoku.com>.

8	3	9	4	6	7	1	2	5
6	1	7	8	2	5	3	9	4
5	4	2	1	3	9	8	7	6
1	6	4	3	7	8	9	5	2
9	5	3	6	1	2	4	8	7
2	7	8	5	9	4	6	3	1
4	2	5	9	8	1	7	6	3
3	8	1	7	5	6	2	4	9
7	9	6	2	4	3	5	1	8

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