

Blockbusters, Franchises and the Televisionisation of Cinema



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Abstract

This paper explores commercial performance of movie blockbusters at the Australian box office since the 1980s (the Multiplex Era) and draws comparisons with the performance of big movies before that time. It finds that the scale of the theatrical release of films rose through the era, but the share of the box office earned by the very biggest films fell. Although there are now more big films at the Australian box office, the very biggest individual films of the Multiplex Era are generally smaller *in cinemas* than those of the pre-Multiplex Era. This does not necessarily mean that less people get to see particular blockbusters overall: there are now many more ways to see movies outside cinemas that did not exist before the 1980s, including pay TV, DVD and online. Nor does it mean that less people get to experience the story-worlds of the biggest movies, even in cinemas, because so many of the highest-grossing movies now are parts of franchises, or series of films. Unlike our finding for individual movies, our analysis concludes that, as a group, the biggest franchises of the Multiplex Era, especially those beginning in the late 20th and early 21st century, have outperformed their predecessors. We interpret these findings in two ways. First, they clearly show the distribution strategy for blockbusters in the Multiplex Era, involving bigger releases and more concentrated box office earnings in a shorter theatrical window. Second, the findings show a compressed cycle of cultural consumption in the cinema that has helped motivate a significant trend in the telling of a good deal of its most popular stories.

Keywords: cinema; television; film

Introduction

This paper explores the concept of movie blockbusters and their commercial performance at the Australian box office since the 1980s – the ‘Multiplex Era’ – and, to the extent that available data allows, draws comparisons with the performance of big movies before that time. The research is part of a larger Australian Research Council Linkage project supported by the Australian Broadcasting Corporation (ABC) and Screen Australia. Running from 2010 to 2013, Spreading Fictions is producing a series of publications analysing audiovisual fiction distribution in Australia. The first report, published in April 2012, explored online video, a sector where the services offered, the behaviour of users and the forms of measurement are changing rapidly and profoundly (Curtis, Given & McCutcheon, 2012). This paper and the full report it draws from (Given, Curtis & McCutcheon, 2013) focus on cinema, where the basic user experience and the methods for measuring it have been relatively stable for a long time. This has enabled us to do a much longer-range analysis.

The paper begins by explaining briefly why blockbusters matter economically to cinemas. It then analyses the scale of release and box office performance of the highest-grossing individual movies at the Australian box office in the Multiplex Era (since the mid-1980s) and compares them with the highest grossing movies before the 1980s. The paper then explores the concept of franchises and examines the commercial performance of the highest grossing ones, including their dominance of the top-grossing titles in the 2000s, before drawing some conclusions.

Why Blockbusters Matter to Cinemas

The term ‘blockbuster’ is used in entertainment marketing and popular culture for the very successful titles that earn a large share of total revenue. It is relevant to all entertainment markets: in separate recent research, we found that the top 20% of movie, DVD and book titles in Australia in 2011 earned 83%, 91% and 93% respectively of total revenue in each of those markets (McCutcheon & Given, 2013). ‘Blockbusters’, however, are especially discussed in movies and live theatre shows. Writing in the late 1990s, Vogel (1998) described the ‘virtual dichotomisation’ of the theatrical (movie) market into “a relative handful of ‘hits’ and a mass of also-rans”. He said that in several recent box office peak seasons, “four out of perhaps a dozen major releases have generated as much as 80 per cent of total revenues”. He called these “‘must-see’ media-event films” (Vogel, 1998, p. 53). In his most recent edition of *Entertainment Industry Economics*, Vogel (2011) noted that “the *relative* importance to revenues and profits of hit products and services is diminished as consumers are now readily able to discover and explore many more niches of interest, some of them so small that they hadn’t before been known even to exist” (p. 49, original emphasis), but argued that “the idea that more *profit* can collectively be generated from niche than from blockbuster hit markets has not been fully accepted” (p. 50, original emphasis).

Blockbusters are especially important for cinemas because they are a relatively high-cost form of exhibition. The distribution of all audiovisual media is constrained to some extent by the cost of storage and display or exhibition. Physical media (DVDs, books) are constrained by the cost of shelf-space and even digital media are constrained by the cost of server space. Cinema and live theatre are constrained by the large overhead and operational costs of maintaining physical spaces in popular precincts. Blockbusters are attractive because they fill these spaces for extended periods of time, achieving audience momentum through word-of-mouth, allowing the fixed costs of producing the movie or setting up the show, as well as the marketing costs, to be amortised across a longer run and higher revenue base.

The markets that were once called ‘ancillary’ to cinemas (television, home entertainment – video and then DVD, downloading and streaming) have lower distribution and storage costs than cinema, so are less constrained in the range of titles they can offer. As these markets have expanded, the titles available in cinemas have represented an ever-decreasing portion of those available across all markets. The future of cinema is crucially tied to the ability of exhibitors and distributors to draw audiences to see the same titles at the same time. They need not all be ‘blockbusters’, but if audiences liberated from the constraints of limited choice do not often want to see the same films or alternative content, the economic fate of cinemas is perilous.

The Durability of the Blockbuster

To test the durability of the old concept of the theatrical blockbuster, we explored the performance of the biggest films in Australia over a long period. Table 1 – Top 5 films in 5 year periods – sets out the top five grossing films in each of five-year periods between 1986 and 2010 (see References: Data for an explanation of the inflation adjustment). Several observations can be made. First, three films stand out even in this elite box office company, one in each decade: the first *Crocodile Dundee* in the 1980s, James Cameron’s *Titanic* in the 1990s and *Avatar* in the 2000s. Break-out successes like this are hard to predict but they occur regularly enough that they cannot simply be treated as anomalies.

	Title	Primary country of origin	Year of release	Distributor	Box office \$m [1]	Box office 2012\$m [2]	Admissions million [3]	Opening day prints, number	Opening day prints, % of total screens
1986-1990	Crocodile Dundee	Australia	1986	Hoyts	47.7	110.4	8.8	54	8.0
	Crocodile Dundee 2	Australia	1988	Hoyts	24.9	50.1	4.1	103	14.5
	Pretty Woman	USA	1990	BVI/Disney	26.2	45.6	4.0	67	7.9
	Fatal Attraction	USA	1987	UIP	18.3	36.8	3.0	53	8.2
	Ghost	USA	1990	UIP	21.3	36.7	3.2	91	10.7
1991-1995	Babe	Australia	1995	UIP	36.8	55.7	5.1	206	18.1
	Jurassic Park	USA	1993	UIP	33.0	54.2	4.7	192	20.2
	Forrest Gump	USA	1994	UIP	30.6	48.3	4.4	164	16.0
	The Lion King	USA	1994	BVI/Disney	31.8	48.3	4.2	123	12.0
	Mrs. Doubtfire	USA	1993	Fox	26.2	42.5	3.7	118	12.4
1996-2000	Titanic	USA	1997	Fox	65.0	93.1	8.0	227	16.0
	Star Wars: Episode I – The Phantom Menace	USA	1999	Fox	42.7	60.7	5.2	372	21.3
	Independence Day	USA	1996	Fox	29.5	44.3	4.1	351	28.1
	Gladiator	USA	2000	UIP	31.1	43.6	3.7	287	15.8
	The Sixth Sense	USA	1999	BVI/Disney	29.3	42.8	3.7	311	17.8
2001-2005	The Fellowship of the Ring	USA	2001	Roadshow	47.5	62.5	5.3	405	23.8
	Shrek 2	USA	2004	UIP	50.4	62.4	5.4	437	21.8
	The Return of the King	USA	2003	Roadshow	49.4	61.7	5.1	453	22.9
	The Two Towers	USA	2002	Roadshow	45.8	58.7	4.8	424	22.6
	Harry Potter and the Philosopher's Stone	UK	2001	WB	42.4	56.5	4.8	476	25.7
2006-2010	Avatar	USA	2009	Fox	115.6	121.7	9.6	588	29.6
	The Dark Knight	USA	2008	WB	46.1	50.3	4.1	434	21.9
	Pirates of the Caribbean: Dead Man's Chest	USA	2006	BVI/Disney	38.1	44.4	3.7	488	24.8
	Toy Story 3	USA	2010	BVI/Disney	42.4	44.2	3.5	466	23.4
	Harry Potter and Deathly Hallows: Pt 1	UK	2010	WB	42.3	44.0	3.4	609	30.5

Table 1 – Top 5 films in five-year periods, Australia, 1986-2010

Source: Analysis of Motion Picture Distributor's Association of Australia (MPDAA) data.

[1] Box office earned to 12 July 2012.

[2] Adjusted using Australian Bureau of Statistics (2012a, 2012b).

[3] Admission figures are not available directly. Estimates have been made by dividing the gross box office per film by the average ticket price for the release period(s).

Second, although most of the biggest films of each period came from the United States, and there is no Australian film on the list since *Babe* in 1995, classifying the national origins of many is complicated. Cinema in the Online Age is not wholly made in America, although a good deal of its biggest blockbusters continue to be coordinated and financed there (Miller, Govil, McMurria, Maxwell & Wang, 2005). Principal photography and a lot of the computer-generated imagery (CGI) for *The Lord of the Rings* trilogy were done in New Zealand. The *Harry Potter* films were UK-US co-productions. Although not making the top 5, the second and third *Star Wars* prequels, *Episode II: Attack of the Clones* (in 2000) and *Episode III: Revenge of the Sith* (in 2003), were primarily shot at Fox Studios in Sydney.

Third, the scale of the release of films rose dramatically through the era, measured by the number of prints available on opening day. The first *Crocodile Dundee* film, around the start of the suburban Multiplex Era, opened on 54 prints. The sequel two years later had twice that many. Two decades on, *Avatar* and the last *Harry Potter* film were released with around ten times the number of opening day prints of the first *Crocodile Dundee*. This means that of the nearly 700 cinema screens in Australia when *Crocodile Dundee* was released, around one in twelve had a print of the big film on opening. Of the nearly 2,000 screens when the last *Harry Potter* film was released, around one in three had a print.

This clearly shows the distribution strategy of the Multiplex Era – a much larger number of screens and prints, enabling many more screening sessions of big titles, concentrating the advertising expenditure and box office earnings in a shorter theatrical window.

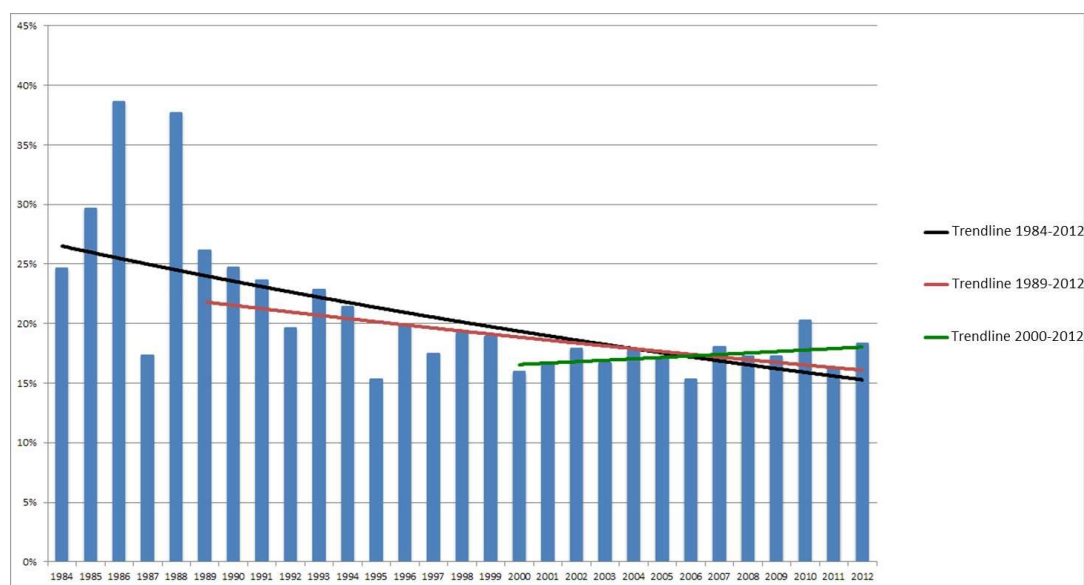


Figure 1 – Percentage of gross box office earned by top 5 films, Australia, 1984-2012

Source: Analysis of MPDAA data.

Note: The exponential trend lines show average compound growth for portions of the time series.

Paradoxically, although the Multiplex Era has been all about big films earning big box office fast, the share of the box office earned by the very biggest films – the top 5 in each year – has fallen sharply since the 1980s (Figure 1). This is not because a substantial ‘long tail’ has emerged in the films receiving commercial release in Australian cinemas (see McCutcheon & Given, 2013), nor because the share earned by the top 5 has fallen from the high peaks of the two *Crocodile Dundee* movies at the start of the Multiplex Era, extraordinary though they were. (The box office gross earned by the first movie is still twice the inflation-adjusted gross of the next biggest Australian films of all time, *Babe* and *The Man from Snowy River*.)

The share of the box office earned by the very biggest films – the top 5 in each year – fell during the Multiplex Era because that era is also the age of home video and later DVD and online distribution, where the life of movies in cinemas is deliberately curtailed. Films do not stay in theatrical release for as long as

there is money to be made there – even where box office earnings exceed the high cost of keeping the film running. Distributors move them through cinemas, on into these ancillary markets, making way for new first release titles at the box office. The very biggest movies still earn huge box office grosses but, as a group, they generally do not stay long enough in cinemas to perform quite the way they once did. Vogel (2011) finds that the major Hollywood studios earned just over 20% of their film revenues from theatrical release in 2007, down from 53% in 1980 and 100% in 1948. Video/DVD grew from 24% to 42% between 1980 and 2007 (Vogel, 2011).

South Pacific played for 179 weeks at the Hoyts Mayfair in Sydney after opening on Boxing Day in 1958; *The Sound of Music*, opening in 1965, played 140 weeks at the Liberty; *Crocodile Dundee* ran for 74 weeks at Hoyts George Street in 1986-87 (see References: Newspaper and Magazine articles, various dates). The only Australian cinema where the biggest movie since the 1980s, *Avatar*, lasted longer than 33 weeks was the IMAX venue in Sydney. It ran there for just under a year but had earned 86% of its final gross by Week 20, according to Rentrak. At the Melbourne theatre where *Avatar* had its longest non-IMAX run, 97% of the final gross was earned by Week 20 (Rentrak, 2013). (Notable exceptions include *As It Is In Heaven*, which played for around two years at the Cremorne Haydn Orpheum in Sydney from 2006 to 2008, and *Eternal Sunshine of the Spotless Mind*, which played for more than a year at Melbourne's Nova in 2004-2005. In each case, the cinema kept screening the movie long after it was available on DVD.)

Shorter theatrical runs have different impacts on the different parts of the cinema industry. Cinema exhibitors have everything riding on theatrical performance; distributors and producers can be more agnostic about which release windows deliver them their returns, although they need to garner bigger audiences in 'ancillary' markets to generate the same average returns from each viewer (see Table 3.6 – Approximate cost of movie viewing per person-hour, 2010 – in Vogel, 2011, p. 96).

To investigate the differences between the biggest films of the Multiplex Era and those of the decades before it, we analysed the 'Top 50 grossing films, 1984 to June 2012' and a 'Selection of 50 high-grossing films, 1939 to 1983' – the Motion Picture Distributor's Association of Australia (MPDAA) does not have complete data on all films from the earlier decades, including data on less than three percent of all films released between 1940 and 1972. Table 2 shows the top 10 from the two eras (for the full lists, see Given et al., 2013, pp. 61-62).

Selection of top grossing films 1939-1983				Top grossing films 1984-June 2012
Title	Box office (2012\$m) [1]	Rank	Box office (2012\$m)	Title
Gone with the Wind (1940)	[2] 444	1	122	Avatar (2009)
The Sound of Music (1965)	155	2	110	Crocodile Dundee (1986)
Star Wars (1977)	102	3	93	Titanic (1997)
E.T. the Extra-Terrestrial (1982)	96	4	62	The Fellowship of the Ring (2001)
The Sting (1974)	90	5	62	Shrek 2 (2004)
Dr. Zhivago (1966)	88	6	62	The Return of the King (2003)
Jaws (1975)	84	7	61	Star Wars: Episode 1 – The Phantom Menace (1999)
My Fair Lady (1964)	74	8	59	The Two Towers (2002)
Grease (1978)	72	9	57	Harry Potter and the Philosopher's Stone (2001)
Mary Poppins (1964)	69	10	56	Babe (1995)

Table 2 – The top 10 blockbusters

[1] Box office for titles released before 1983 has been estimated from distributors' film rentals (see Given et al., 2013, p. 60).

[2] For sensitivity analysis, see Given et al. (2013, p. 60).

Comparing these two lists, we see that the very biggest individual films were generally bigger in cinemas before the Multiplex Era:

- The biggest film, *Gone with the Wind*, took more than three times the inflation-adjusted box office of the biggest Multiplex Era movie, *Avatar*. Even using the most conservative assumptions explained in the full report (Given et al., 2013), *Gone with the Wind* still earned more than twice *Avatar* and more than three times *Titanic*.
- In 2012 dollars, eight pre-multiplex movies (that we know of) took more than \$70 million (compared with three Multiplex Era movies) and 13 took more than \$60 million (compared with six Multiplex Era movies).
- Number 20 of the selected pre-multiplex movies (*A Clockwork Orange*) took \$53 million; number 20 of the Multiplex Era movies (*Pirates of the Caribbean: Dead Man's Chest*) took \$44 million.

But below the very biggest films, the Multiplex Era movies grossed more per title in cinemas – although in drawing this conclusion, we must stress the limited coverage of films before the 1980s and especially before the 1970s:

- Below number 25 on the two lists (*Raiders of the Lost Ark*, *Gladiator*), the box office for Multiplex Era movies starts getting bigger.
- By number 50, *Fatal Attraction* at \$37 million (2012\$m) earned around 15% more than the pre-multiplex *Oliver* (\$32 million).

We conclude that, although there are now more big films, the very biggest individual films of the Multiplex Era are generally smaller *in cinemas* than those of the pre-Multiplex Era. That does not necessarily mean that less people see them overall, because there are now many more ways to see movies outside cinemas, but it is potentially very important for the cinema exhibition industry.

Franchise Films

The larger research project that this report forms part of, *Spreading Fictions: Distributing Stories in the Online Age*, asks a central question: How do Australians get their audiovisual stories and how might they get them in the future? Even if the very biggest individual films of the Multiplex Era are generally smaller *in cinemas* than those of the pre-Multiplex Era, it might not mean that the ‘story worlds’ of the multiplex and online eras are smaller, because so many of the biggest films are parts of film series or ‘franchises’: *Harry Potter*, *Star Wars*, *Shrek* and *The Lord of the Rings*.

The concept of the series or franchise is widely used, although definitions of it vary. Arguing that the term franchise is used ‘rather loosely’, Kristin Thompson (2007) says:

Essentially it means a movie that spawns additional revenue streams beyond what it earns from its various forms of distribution, primarily theatrical, video and television. These streams may come from sequels and series or from the production company licensing other firms to make ancillary products: action figures, video games, coffee mugs, T-shirts, and the hundreds of other items that licensees conceive of. In the ideal franchise, they come from both. (p. 4)

Karen Krizanovich (2010) emphasises the serial nature of film franchises:

As a word originally applied to fashion, fast food chains and sports teams, franchise applies to a series of films based on the same Underlying Material, produced in chronological story order or with a reference to that order; to events or characters in the previous instalment(s). A

franchise can include remakes, prequels and sequels, as well as other terms (trilogy, series, episodes, etc.). (p. 15)

Linden Dalecki (2008) too stresses the sequel element:

In Hollywood parlance a franchise film is any film title that is itself a sequel, or a title that has one or more sequels that follow from it – obviously, sequels are at the core of that which constitutes a film franchise. (p. 48)

To explore the franchise concept, we calculated and inflation-adjusted the combined grosses for the most successful film series or franchises at the Australian box office. For this analysis, we defined a franchise as:

A series of films produced from the same underlying material by the same or a related production entity and/or under licence from the holder of rights in the underlying material. Underlying material means narrative, characters and/or milieu.

As well as series that tell a continuous narrative, like the *Harry Potter*, *Lord of the Rings* and *Star Wars* movies, this definition includes remakes and “reboots” (Krizanovich, 2010, p. 10) undertaken by the same or a related production entity, and films that are narratively discrete but based around a single character or group of characters (e.g. James Bond, Batman, Crocodile Dundee). It does not include groups of films that originate in related underlying material (e.g. movies of Shakespeare’s plays or Jane Austen’s novels, or films made by Merchant Ivory).

The complexity of the definition highlights the fact that the idea behind franchises is not new. Kristin Thompson likens the creative borrowing and repetition they involve to the ‘air with variations’ genre in classical music, the exquisite but formulaic reliefs carved on the walls of Egyptian tombs and the multiple versions of compositions painted by assistants in the studios of Rubens and Rembrandt (Thompson, 2007). Motion picture producers have long understood the benefits of building brands that identify and familiarise ‘new’ products and shape their reception. Walt Disney’s animated features of Felix the Cat and Mickey Mouse in the 1920s and 1930s were a kind of franchise, regularly produced, released and re-released complete with matching merchandise. Studios with proud names like Pathé, MGM, Twentieth Century Fox and Warner Brothers or, much later, Pixar, were themselves franchises. They signed stars – another kind of franchise – to multi-picture contracts. Directors from Renoir, Ray and Kurosawa to Woody Allen and Jane Campion created an on-going identity and demand for their new work that outlasted the golden age of studio brands. By drawing on material made familiar in other media – books (*Gone with the Wind*), musicals (*South Pacific*), plays (*My Fair Lady*) or real life (*Titanic*) – even one-off films could be a kind of franchise.

Early Australian film series included ‘The Hayseeds’ and ‘Dad and Dave’ movies. Six silent and one sound Hayseeds films were made between 1917 and 1933, drawing on Steele Rudd’s stories and their earlier stage adaptations, and another series of books about a rural family, ‘The Waybacks’ (Byrnes, n.d.). Rudd’s characters, Dad and Dave, appeared in a silent movie in 1920, four Cinesound comedies produced between 1932 and 1940, a television series – *Snake Gully With Dad ‘n’ Dave* – produced by ATN7 Sydney in 1972, and a feature film starring Leo McKern and Dame Joan Sutherland in 1995 (Australian Screen, n.d.). The classic bushranger novel, *Robbery under Arms*, was made into a movie four times (1907, 1911, 1920, 1957) before a television series and another feature film were made in 1985. A silent movie version of *The Man from Snowy River* was made in 1920 and a television series in the 1990s, as well as the blockbuster movie and sequel in the 1980s. Films sometimes feed subsequent adaptation, like the musicals *Priscilla*, *Queen of the Desert* and *Chitty Chitty Bang Bang*.

But while the concept of franchises, sequels and serials is old, two things seem distinctive about the film franchises of the 21st century: first, the scale of their commercial success; and second, the decision to produce them *as franchises or packages of films*, rather than one-by-one.

Commercial Performance of Franchises

Table 3 – Top grossing film franchises, 1961 to June 2012, Australia – shows that, of the top 30 grossing franchises in Australia across the five decades for which the MPDAA holds box office data (using inflation-adjusted data), 11 only started in the 2000s including three of the top five – *Harry Potter*, *Shrek* and *The Lord of the Rings*. Six started in each of the 1990s and 1970s, five in the 1980s and two in the 1960s. The king of franchises, *James Bond*, has grossed nearly 40% more than *Harry Potter*, but it has taken three times as many films to do it. Ranking the franchises by their average box office gross per film, half of the top 10 are series that started in 1999 (*The Matrix*) or later. Of the \$3.4 billion (at 2012 prices) earned by the top 20 franchises, more than half has been earned in the 2000s.

Rank	Title	Year of first release	No. of films	Box office 2012\$m	Box office average per film 2012\$m	Rank by box office average per film
1	James Bond	1961	24[1]	513.6	21.4	21
2	Harry Potter	2001	8	370.1	46.3	4
3	Star Wars	1977	7	338.9	48.4	3
4	Shrek	2001	5	188.1	37.6	6
5	Lord of the Rings	2001	3[2]	182.8	60.9	1
6	Crocodile Dundee	1986	3	171.0	57.0	2
7	Batman	1989	6	158.7	26.5	17
8	Pirates of the Caribbean	2003	4	141.7	35.4	7
9	Indiana Jones	1981	4	139.2	34.8	8
10	Marvel Cinematic Universe [3]	2008	6	137.3	22.9	20
11	Twilight	2008	4	128.1	32.0	12
12	Jaws	1975	4	115.8	29.0	14
13	Pink Panther	1964	8	114.9	14.4	29
14	Transformers	1986	4	112.9	28.2	15
15	Rocky	1977	6	107.1	17.8	26
16	Ice Age	2002	4	106.6	26.7	16
17	Superman	1978	5	105.3	21.1	23
18	Matrix	1999	3	99.5	33.2	9
19	Jurassic Park	1993	3	98.6	32.9	10
20	Spider-Man	2002	3	97.8	32.6	11
21	Toy Story	1995	4	95.4	23.9	19
22	Meet the Parents	2000	3	91.2	30.4	13
23	X-Men	2000	5	90.2	18.0	25
24	Mission Impossible	1996	4	84.9	21.2	22
25	Fast and the Furious	2001	5	84.6	16.9	28
26	Star Trek	1979	11	81.1	7.4	30
27	Grease	1978	2	76.0	38.0	5
28	Men In Black	1997	3	74.4	24.8	18
29	Terminator	1984	4	72.4	18.1	24
30	American Pie	1999	4	70.4	17.6	27

Table 3 – Top grossing film franchises, 1961 to June 2012, Australia

Source: Analysis of MPDAA data.

Films released to 30 June 2012. Box office earned to 12 July 2012. Includes all versions of a film, for example 3D versions, re-releases. A re-release is not counted as a separate version.

[1] Includes 22 James Bond films produced by Eon Productions (released up to July 2012) plus the two James Bond films, *Never Say Never Again* (1983) and *Casino Royale* (1967), not made by Eon Productions.

[2] The extended version of *The Two Towers* is not counted as a separate version. The 1978 version of *The Lord of the Rings* is not included as box office is not available.

[3] The 'Marvel film franchise' is a super franchise made up of several franchises (*Iron Man*, *Hulk*, *Thor* and *Captain America*) plus *The Avengers* which combines the characters from these four films into one movie. Total Australian gross for *The Avengers*, *Iron Man 1* and 2, *Hulk*, *Thor* and *Captain America* is 2012\$137.3m (as at June 2012).

Figure 2 – Top 10 grossing films, Australia, 1981-2011, categorised as original, adaptation, re-make or sequel/series/franchise – shows the rising dominance of franchise movies and the decline of ‘originals’, although it also confirms that adaptations and franchises were common even before the Multiplex Era. This is especially so if one adds to the movies formally categorised as sequels those based on true stories, which brought a kind of ‘brand awareness’ even when they arrived in cinemas as ‘originals’ – *Gallipoli* and *Chariots of Fire* in 1981, *Moulin Rouge* and *Pearl Harbour* in 2001.

1981	1991	2001	2011
Raiders of the Lost Ark*	Dances with Wolves	The Fellowship of the Ring*	Harry Potter and the Deathly Hallows: Part 2
Gallipoli	Robin Hood: Prince of Thieves	Harry Potter and the Philosopher's Stone*	Transformers: Dark Of The Moon
Mad Max 2	Terminator 2: Judgment Day	Shrek*	The Hangover Part II
For Your Eyes Only [James Bond]	The Silence of the Lambs	Moulin Rouge	Twilight Saga: Breaking Dawn – Part 1, The
Arthur	Kindergarten Cop	Monsters Inc.	Pirates of the Caribbean: on Stranger Tides
Chariots of Fire	Green Card	What Women Want	Bridesmaids
An American Werewolf in London	Father of the Bride	Bridget Jones' Diary	Fast and Furious 5
Elephant Man	The Addams Family	Cast Away	Tangled
Flash Gordon	City Slickers	Miss Congeniality	Red Dog
Puberty Blues	Sleeping with the Enemy	Pearl Harbor	Cars 2

Legend

	Original: No direct antecedent in film or other medium. May be the first film in a sequel/series/franchise, marked *.
	Adaptation: Direct antecedent in another medium but not film. May be the first film in a sequel/series/franchise, marked *.
	Re-make: Re-make of an earlier film with the same or similar title.
	Sequel, series, franchise: A film in a series of films produced from the same underlying material by the same or a related production entity and/or under licence from the holder of rights in the underlying material. Underlying material means narrative, characters and/or milieu.

Figure 2 – Top 10 grossing films, Australia, 1981-2011, categorised as original, adaptation, re-make or sequel/series/franchise

Source: Analysis of MPDAA data based on Allen (2012).

Films ranked by box office earned to 12 July 2012, not just in the years of release.

Producing Franchise Films

Until the 2000s, franchises generally developed one film at a time. A big success motivated a sequel; a successful sequel motivated another. Each sequel typically earned less than its predecessor, and the series stopped when the box office for the latest film demonstrated it was losing its appeal. Even if a property like the Batman comics was acquired in the hope that more than one movie would be made from it, in practice the movie budgets were committed one at a time. From the late-1990s, that changed:

- Three prequels to the *Star Wars* trilogy were produced by Lucasfilm and released in 1999, 2002 and 2005. The original movie, released in 1977, was followed by two sequels, *The Empire Strikes Back* in 1980 and *Return of the Jedi* in 1983. When writing the sequels, the plot evolved to provide a back-story as well, seeding the idea for the three prequels eventually produced from the mid-late 1990s. A further film was produced and released in 2008; by then, another set of three sequels was being discussed. In 2012, Disney bought Lucasfilm and has been announcing details of the creative line-ups for the three sequels. The inflation-adjusted US box office of the franchise has followed the old rule-of-thumb: the first two sequels earned less than the previous film, and the three prequels earned less than the original trilogy (Block & Wilson, 2010).
- In 1998, New Line, the makers of the *Nightmare on Elm Street*, *Teenage Mutant Ninja Turtles* and *House Party* movie series, committed to produce three *The Lord of the Rings* movies. This followed the structure of J. R. Tolkien's three books but expanded the compressed two-movie proposal Peter Jackson pitched to New Line. Principal photography was undertaken in a single shoot but the extensive CGI, editing and post-production targeted sequential release over what became three successive Christmases in 2001, 2002 and 2003. Unlike the old expectation, each movie grossed more than the previous one at the US and worldwide box office (Box Office Mojo, February 13, 2013). New Line Cinema and MGM Pictures committed to a package of two movies based on Tolkien's Rings 'prequel', *The Hobbit*, in December 2007, with Jackson as executive producer. A third film was confirmed in July 2012. The first, *The Hobbit: An Unexpected Journey*, was released at Christmas 2012; the other two are expected in December 2013 and July 2014.
- The success of *The Matrix*, released in 1999, encouraged its co-producers, Village Roadshow Pictures and Warner Bros, to make two sequels in a single shoot. *The Matrix Reloaded* and *The Matrix Revolutions* were released in the United States and Australia in 2003 about six months apart: the first took much more at the box office than the original film, the second less.
- J. K. Rowling's first *Harry Potter* book was published in the United Kingdom in 1997 and the United States in 1998. Warner Bros committed to make them into movies in two stages: the first four, then the final three, the last of which became two movies shot back-to-back. This delivered close to a Potter movie a year throughout the early 21st century: 2001, 2002, 2004, 2005, 2007, 2009, 2010, and 2011. According to Box Office Mojo (March 18, 2013), the unadjusted worldwide gross box office of the last was the highest of the eight.

Of these four 21st century franchises, film historian Kristin Thompson (2007) says *The Lord of the Rings* – the 'Frodo Franchise' – “can fairly claim to be one of the most historically significant films ever made. It is difficult to grasp the overall impact that it has had and will go on having” (pp. 8-9). The *Star Wars*, James Bond and *Star Trek* franchises were more extensive:

... but *Rings* appeared over such a short period of time – three long films in twenty-four months – that its earning power was concentrated. The enormous affection that its fans felt for the film meant that the franchise will live on well after *Return*'s departure from theatres. In a way, *Rings* is the perfect franchise – strong enough to maintain its commercial potential and yet self-contained enough as a narrative not to beget a series that outstays its welcome. (Thompson, 2007, p. 7)

Adam Smith, too, calls the *Lord of the Rings* trilogy:

Without any doubt the single most important event in popular cinema of the 21st century so far ... [I]t stands in relation to American cinema in the 2000s as the *Star Wars* series did in the 1970s and early 1980s. It turned a generation on to film; radically altered the kinds of films that were being made ... has been resold, pimped out and marketed to within an inch of its life (Smith, 2012, p. 163)

Yet all four franchises described above seem to offer different models of the franchise concept and how it might be deployed in the cinema in the future:

- *Star Wars* revived and extended a movie franchise a generation after it began.
- *The Matrix* created a new franchise, short and sharp, by producing two sequels simultaneously.
- *The Lord of the Rings* turned an old, celebrated book franchise into a contemporary movie franchise once digital movie-making technology could deliver the kind of experience for audiences that Tolkien's story had offered to readers.
- *Harry Potter* started turning a new book franchise into a movie franchise before all the promised books were even written: cinema audiences had seen four Potter movies before Rowling's readers had got hold of the seventh and last book in 2007. Potter became a decade-long cascade of book and movie launches, a single narrative that advanced in parallel in different media.

The decision to turn *The Lord of the Rings*' literary prequel, *The Hobbit*, into three more movies from the same story-world continued the trend for some of the most popular big screen story-telling in the 21st century. Instead of one-off movies like *Gone with the Wind* and *The Sound of Music* that played and played through the long theatrical runs of the pre-Multiplex Era, many of the most popular movie-makers of the 21st century are constructing sprawling narratives that they tell by instalment, one movie at a time, hoping audiences will commit to the whole thing and build rather than decline as the story reaches its climax. In this way, the advertising that is concentrated around the theatrical release still invariably used to launch big feature films not only provides a rolling, long-term marketing campaign, but repeatedly draws attention to earlier titles already available on DVD and online. Drawing on the well-established serial and series formats of television drama, we might call this trend the 'televisionisation' of cinema.

Conclusion

This analysis of the commercial performance of movie blockbusters at the Australian box office since the 1980s has found that the scale of the theatrical release of films rose through the era, but the share of the box office earned by the very biggest films fell. Although there are now more big films at the Australian box office, the very biggest individual films of the Multiplex Era are generally smaller *in cinemas* than those of the pre-Multiplex Era. This does not necessarily mean that less people get to see particular blockbusters overall: there are now many more ways to see movies outside cinemas that did not exist before the 1980s, including pay TV, DVD and online. Nor does it mean that less people get to experience the story-worlds of the biggest movies, even in cinemas, because so many of the highest-grossing movies now are parts of franchises, or series of films. Unlike our finding for individual movies, our analysis concludes that as a group, the biggest franchises of the Multiplex Era, especially those beginning in the late 20th and early 21st century, have outperformed their predecessors.

We interpret these findings in two ways. First, they show clearly the distribution strategy for blockbusters in the Multiplex Era. Movies are released on a much larger number of screens, enabling more screening sessions of big titles and concentrating box office earnings in a shorter theatrical window. Theatrical runs are deliberately curtailed to move titles into 'ancillary' markets where distribution costs are lower, freeing high-cost cinema screens for the next aspiring blockbusters with their blockbuster marketing campaigns. Second, the findings show a compressed cycle of cultural consumption in the cinema that has helped motivate a significant trend in a good deal of its most popular stories. By setting out to tell many of its stories by instalment, we suggest that the most commercially successful cinema of the early 21st century has been 'televisionised'. We hope to explore this concept further in our next phase of research.

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Data

Box Office Mojo: Box Office Mojo (boxofficemojo.com) and The Numbers (thenumbers.com) were used to assist in identifying franchises and the films that comprise them.

Inflation adjustment: Box office earnings were adjusted for inflation to 2012 prices. For earnings from 1948, the *Consumer Price Index: All Groups* was used (ABS cat. no. 6401.0, June 2012). For 2012, the index number used is the average of the first two quarters, matching the box office data that was current at 12 July 2012. For earnings before 1948, composite index numbers were derived from the retail/consumer prices indices published in *Year Book Australia 2012* (ABS cat. no. 1301.0, May 2012). Where a film earned box office revenue in more than one calendar year, earnings were adjusted using the separate price indices for each year.

MPDAA: The principal source of data in this paper is the Motion Picture Distributor's Association of Australia. MPDAA members at August 2013 are Twentieth Century Fox Film Distributors, Paramount Pictures Australia, Sony Pictures Releasing, Universal Pictures International Australasia, Walt Disney Studios Motion Pictures Australia and Warner Brothers Entertainment Australia.

Rentrak: US company Rentrak Corporation tracks overnight box office in more than 20 countries including Australia. Data is primarily collected through an electronic connection with theatre box offices throughout Australia. Data is available from 1997.

Newspaper and Magazine Articles

Advertisement (1987, September 20). *Sun Herald*, p. 109.

First in Todd-AO (1958, December 4). *Sydney Morning Herald*, p. 39.

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