**Frenzy in the Third Dimension**

**By Marty Shindler**

History repeats itself.

The lessons learned from history should never be forgotten.

It happened when sound was a new technology for feature films. It happened again when color was a new technology for feature films.

It happened yet again in the mid 90s when CGI came on the scene in a big way, spurred by the likes of *Terminator 2* and *Jurassic Park*, major motion pictures that told Hollywood studios and many independents that computer graphics could be used for major visual effects extravaganzas and, as far as those two movies were concerned, could attract large audiences on a global basis, all paying top dollar to see the latest and greatest.

The two aforementioned movies were done brilliantly, from their writing to their execution, with the likes of James Cameron and Steven Spielberg helming the work, but the aftermath created was a frenzy by almost any definition as a new language to tell stories was being created.

The underlying 3D CGI technology for those two movies (and a few others) came at a time when more horsepower became available in computing and new tools were being created to enable even a local "garage shop" to create convincing images on screen. If you could think it, it could be created in the computer was a common philosophy. The only constraints were time and, of course, money.

In the 90s, companies sprang up on a global basis to create the production level work for visual effects. Other companies sprang up to build software and hardware tools for image creation.

The burgeoning 3D CGI industry also prompted companies and schools to provide training to the waiting masses, including retraining the existing workforce, many of whom knew what images were required, but were now becoming adept at using a new tool to create. For example, a great model maker accustomed to wood, foam, steel and other "real" materials now was beginning to learn how to build models with a tablet, mouse and software. The base knowledge was there, but new tools were being used for execution.

Organizations of all kinds set up series of panel discussions, seminars, newsletters and publications, all devoted to the new digital technology.

There was a frenzy to hit the marketplace at all points on the entertainment industry value chain, driven in part by the studios that thought that major visual effects extravaganzas were all that was needed to drive box office and in turn, profits.

Audiences showed up, too, expecting to see the next *T2* or *Jurassic Park*.

The problem was that in the frenzy, one important factor was left out of the mix – good stories based on believable characters. While no one ever sets out to make a bad movie, the reality is that most movies do not earn a profit for their investors.

The increased budgets for the extravaganzas and the lack of attention to story and characters resulted in significant write downs of movies – and TV shows, too, that started to incorporate CGI, albeit on a somewhat lower scale than movies. In some cases, it was reported that the rate of losses exceeded the "norm," but a loss is still a loss.

Paying audiences stayed away as the novelty for the big effects movies for the sake of exploitation wore off. The audience always knows.

It took a while for the effects heavy product in the pipeline to run its course and during that time, unfortunately, many companies came and went, all chasing a piece of the new digital CGI pie.

In time, a more practical approach emerged, without the frenzy, but still incorporating the technology that made those movies and others so compelling, but with the all important elements of story and character. In fact, the whole CG/animation business today is bigger than ever.

The same frenzy is evident today with S3D, stereoscopic 3D. History is repeating itself. And in time, the industry will be enormous, if not ubiquitous, but it will take time to get there and there will be fallout.

The influx of S3D movies has created a wow factor. *Avatar*, *Alice in Wonderland* and other movies have created a 3D wow factor both visually and at the box office.

Studios, majors and independents, are all developing projects for 3D release. Organizations are developing training programs, seminars, etc. Software and hardware tools of all kinds are being developed to support the production, post production and exhibition needs of the S3D industry. It appears to be going at a faster rate than was the case for 3D CGI a decade plus ago, although it is certainly hard to quantify.

Already the industry is seeing a softening of the box office numbers from 3D, especially during the all important opening weekend as the percentage from 3D has declined for several of the most recent releases. It is too soon to know if this is isolated or the beginning of a trend. Speculation in some circles is that while audiences crave the look of 3D movies, they are beginning to be more discriminating, especially as the up charge adds significantly to the cost of taking a family to the local multiplex.

With the significant increase in 3D production, whether 3D is created during production or in post through 2D to 3D conversion, there will be losses to those investors as the product comes to market. We just do not know as yet which movies will succeed and which will not.

In the 90s with CGI driven films, distributors aimed to get as wide a release as possible, going day and date around the world wherever viable. The goal was to collect as much in box office as possible before word of mouth set in. And for those movies that had the story, visual elements and the total budget in balance, the word of mouth drove substantial returns.

The same is happening today. And in today's connected with social networking world, word leaks out very fast when a bad movie appears at the multiplex.

3D capacity at the global theater market must increase and it must increase soon to enable the product coming to market to have at least a fair chance for success. It must also be done at a fair price as the upward spiral in product and costs is not being recouped by box office and home entertainment.

The trend is continuing into TV as sports in 3D is compelling as well. We have seen 3D baseball, basketball, football, hockey, golf and recently the FIFA World Cup. The networks, broadcast and cable (does anyone really differentiate anymore?) are all devoting considerable resources to testing and experimenting with S3D.

Movies and sports drove the growth of TV in the 50s at its birth and again when color TV was introduced. (Are there any black and white TV shows?). The same was true for the introduction of HD TVs and it will be true for 3D TV. History repeats itself.

To drive the sales of the 3D enabled TVs, a large inventory of available product is required in order to get past the early adopters. So, the number of movies and TV events in 3D will continue as the major TV manufacturers bring their sets to market. It will only be a matter of a few years before all new HD flat panel TVs have 3D capabilities and most likely at a nominal surcharge.

Don't get me wrong, I am not complaining as I have heavy involvement in this arena, too. The 3D bug first bit me in 2004 when we were retained to develop a business plan for a company with an idea for 3D tools and services. That evolved into many other consulting projects for us, as well as our involvement in Oculus3D. The first 3D panel I moderated was in September 2005, even before the release of *Chicken Little*, the modern era's first 3D movie. There have been many, many more since.

What I am suggesting is that we all take a sharp look at what matters – quality and the bottom line – or chance being a victim of the inevitable fallout following the frenzy.

The future, history tells us, depends upon it.