Sony Revises Policy for 3D Glasses

By Kevin Sanson

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A few weeks ago, Sony Pictures Entertainment announced it will stop paying for 3D glasses after May 1, 2012. Instead, the company hopes theater owners or consumers will pick up the tab. The back-and-forth squabbling about who pays for what underscores the creeping recognition that the technology isn't the game changer its most enthusiastic supporters (James Cameron, Dreamworks Animation CEO Jeffrey Katzenberg, and RealD CEO Michael Lewis, for example) originally championed.

Glasses cost studios about 50 cents per ticket, or about $5 to $10 million for every blockbuster release. Studios claim they never intended the subsidy to last forever but footed the billas a temporary fix while theaters paid to convert their screens. Naturally, the National Association of Theater Owners reacted harshly to Sony's announcement, calling it an "insensitive" decision at a time of national economic distress and a policy shift that the studio "would be well advised to revisit." Regal Cinemas, one of the nation's largest theater chains, issued a separate statement threatening to "evaluate [Sony's] new economic model and program [their] screens accordingly."

Moviegoers in foreign markets are accustomedto buying or renting glasses from concession stands for prices that range between $2 and $12 but it seems unlikely a similar model will succeed in North America. Business analysts and media critics agree the united front gives theaters the edge over Sony, at least until other studios fall in line with the policy change. In 2009, pushback from theaters successfully forced Fox to abandon its attempt to displace the cost of the glasses. Additionally, asking domestic moviegoers to purchase their own glasses on top of the ticket surcharge they already pay risks alienating them from 3D films altogether.

The current standoff betrays an entertainment marketplace in which 3D films increasingly have failed to live up to expectations (though box office returns remain strong in most foreign markets). Kristin Thompson offers some provocative calculations to suggest (a) the percentage of a film's box office gross earned from 3D screenings is much less than studios proclaim and (b) theaters actually lose money from devoting too many screens to 3D films. Moreover, moviegoers and film critics frequently characterize the technology as an unnecessary distraction, citing everything from eyestrain, headaches, and nausea to questionable aesthetic qualities and underwhelming artistic merits. Even the successful turnout for the recent re-release of *The Lion King* in 3D sparked debates about the added value (if any) of the technology.

Yet, despite cries to the contrary, the studios don't seem keen to give up on the technology anytime soon. In fact, studios, along with theaters, are eager to see 3D lure consumers away from the formidable competition home entertainment poses, and they have invested heavily in its future. Stereoscopic productions add between $15 and $18 million to a film's budget, and theaters shell out about $100,000 for digital projection systems, an expensive process that needs to continue if studios want mass bookings for their stereoscopic films.

Determining who pays for 3D glasses, then, is intertwined with much more fundamental questions about the technology's place in Hollywood, a "critical juncture" at which studios, theaters, moviemakers, and audiences have yet to agree on the appropriate scale and scope of their three dimensional images.