

The Drive-In Economy: 1946-1981
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by
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In a paper presented last year at this conference ("The Drive-In Experience: A Stage in the History of Reception") I investigated some of the psychological and social aspects that differentiate the experience of drive-in movie-going from the indoor movie experience. My presentation today is intended as a step towards the construction of an economic history of drive-in movies. Yet during my research, I found that I could write no single, nation wide history of the drive-in. Regional differences in operating philosophy, types of films screened and audiences are simply too significant to be ignored. Here, I compare the west coast drive-ins of the Pacific Theatres circuit with the drive-in economy of the Cleveland metropolitan area to specify some of these regional distinctions.

The Cleveland material has been gathered by myself and two graduate students, one of whom (Nirith Wysenbeck) is writing her thesis on Cleveland film exhibition since World War II. I obtained most of the California data from interviews with Robert W. Selig, the vice-president and executive assistant to the president of Pacific Theatres, Inc., which claims to be "the world's largest drive-in theatre circuit." Mr. Selig is also chairman of the Theatre Association of California, and is often quoted in Variety as an industry spokesman. Like many exhibitors, Mr. Selig fears being quoted, apparently believing that any information he gives me could be used against himself, his company, or the theatrical industry. I was forced to promise that nothing he told me would find its way into print without his approval.

The history of drive-ins should not be isolated from the story of walk-in theatres. Both play many of the same films; both compete for much the same audience. Since indoor theatres have always outnumbered and outgrossed drive-ins, on a national scale, I must set the context for this study with an abbreviated glimpse at indoor theatres in the post-war period.

In the history of what Variety calls "hard-tops" (as compared to the "topless" drive-ins), trends are truly nationwide. Almost everywhere the number of theatres has declined since 1946, but a boom in the construction of new multi-screen suburban theatres began in the mid-1970's. As the construction boom continues, at a somewhat slower pace, into the eighties, older theatres have also been divided into two or more screens. Despite the threat of pay-cable, cassette and other home delivery systems, movie attendance has remained relatively stable over the last seven years at approximately 1 billion admissions per year--up from the 1971 low of 820 million, but still less than 25% of the 1946 attendance peak of 4 billion, 67 million tickets sold.¹

The first true drive-in movie theatre apparently opened in 1933 but there was no real boom in drive-in construction until 1946. The period of greatest drive-in growth, nationally, was approximately 1948 to 1954. After 1970, more drive-ins closed than were opened in any given year.²

In the Cleveland metropolitan area, two drive-ins were in operation in 1946. By 1951 8 new installations in the suburbs had increased the number to 10. Ten years later the drive-in total remained the same, but a second, minor boom in the construction of outdoor theatres took place during the following decade. By 1971 Cleveland drive-in installations had increased

another 60% to reach a peak of 16 single-screen theatres. In the last ten years, no new drive-ins have been built, and three have closed. Yet the total number of screens has increased to 17, with the conversion of one drive-in to a triple-screen operation, and two twin-screen conversions.³ I will return to Cleveland outdoor theatres at the end of this paper, when we can compare their operations to those of the California drive-ins.

Pacific Theatres, Inc. controls 5 theatre circuits. Although their primary territory consists of California, Oregon, Washington, and Hawaii, they maintain a foothold in the New York City area with the Cinema 5 chain of theatres. Until this year, Pacific owned the giant RKO-Stanley Warner circuit of walk-ins in several northeastern states. Centered in Southern California, the Pacific Theatres division operates 100 drive-ins and 38 walk-in theatres. The company also operates a few drive-ins in Europe and Japan. Selig claims that with 125 screens, Pacific Theatres runs "the world's largest drive-in circuit," and that operations are prospering.⁴

The company was founded as a drive-in chain by William R. Forman. Until his death in April, 1981, Forman was one of the most powerful figures in West Coast exhibition, and a dominant figure in trade organizations. In 1946, Forman opened the first drive-in on the West Coast, half-way between Seattle and Portland. It was called, appropriately enough, the Midway Drive-In. It is still in operation. But, the foggy, rainy climate soon dampened Forman's enthusiasm for open-air theatres on the Northwest Coast. He moved into Southern California, opening the Olympic on Olympic Boulevard in Los Angeles. According to Selig, Forman "came into a competitive buzz-saw down here," since the City of the Angels was dominated by the 20th-Century Fox Circuit. These were the days before the major studios were forced to divest themselves of their theatre chains. As an upstart independent, Forman

was denied product. Although he opened more drive-ins, the films they could rent were, in Selig's words, "mostly a bunch of junk." Nevertheless, our hero endured, expanded, and with some help from the Paramount Decision (Consent Decree) built his circuit, then his holding company, and eventually began to construct walk-in theatres. But the drive-ins remained the heart of the operation and are still the object of Selig's pride and affection.

From Selig's comments in the interview, it is clear that drive-in theatres are not just a film-exhibition business, but also a real-estate operation. Forman located his theatres at "the influence of major arterial highways and freeways." The smallest Pacific Theatres property was 14 acres; the Olympic (the original Los Angeles theatre) was built on a parcel of 140 acres. As land values rise with suburban expansion, the owners of prime drive-in locations are constantly tempted to sell the property. Against the advice of many of the officers in his company, for years Forman constantly refused offers for his drive-in properties. According to Selig, "he would never sell anything, especially if it was real-estate." In the mid-seventies, the founder was persuaded to sell the Olympic to a Cadillac dealer. Selig now says the Cadillac dealer "was smarter than we were;" he converted the property into a "low profile technology industrial center," which presumably grosses more, per acre, than the film business did. Apparently, Selig wishes that Pacific had done the conversion itself from movies to the industrial park, keeping control of the property.

The company is no longer building drive-ins, not only because of extravagant land prices at the preferred locations, but also because it is now "very difficult" to obtain zoning clearance for drive-in theatres. According to Selig, the reason is not that the outdoor movie business itself is sagging. It's simply a "misconception," he says, that drive-in operations are no longer profitable. "It's not so in this market." While I do not have

access to Pacific Theatres financial records (it is a privately held company), statistics I have gathered from U.S. government publications tend to bear out Selig's claim that, compared with the rest of the country, drive-ins in California are relatively prosperous. Every five years the Department of Commerce publishes the Census of Selected Service Industries. (Statistics are already 2 years old by the time they are released). The latest Service Census, for the year 1977, shows that California drive-ins gather more average receipts, per theatre, than drive-ins in any other state. To be specific, in 1977 nationwide, drive-ins were 27% of the total number of theatres, but gained only 17% of total receipts from customers. In California, drive-ins composed less than 19% of all movie theatres, but gained 25% of total receipts.⁵ Outdoor theatres in Southern California seem to be more numerous and more profitable than those in the Northern section of the state.

Why are California drive-ins still flourishing while outdoor theatres in other sections of the country are in a state of decline? Selig "guesses" that weather is a factor and that Southern California is "more of a car-culture" than other regions.

How important is climate in determining the success of drive-in operations? To investigate the "weather factor" I cross-checked the number of theatres and the receipts of drive-in theatres on a state to state basis from the 1977 Department of Commerce figures. To my surprise, I found that the drive-ins' share of total (theatrical) movie receipts is often greater in Northern states than the states of the so-called sunbelt, despite the fact that the Northern drive-ins are closed for a portion of the year. In Maine, for example, 25% of receipts came from outdoor theatres, in Vermont 35%, while in Texas drive-ins only gained 19% of the movie money. In no state

except California, did drive-ins average more receipts per theatre than their indoor competitors. Clearly, the California situation is unique.

California aside, are there regional patterns of drive-in strength and weakness? The 1977 figures show that, compared with walk-in theatres, drive-ins are weak throughout the deep South (Texas, Louisiana, Mississippi, Alabama, Georgia, Florida, South Carolina) in both the number of theatres and the percentage of receipts, despite year-round operation. The Rocky-Mountain states form a "stronger" drive-in region than the Great Plains region. With the exception of the surprising pocket of drive-in strength in Maine and Vermont, the Northeast is a relatively weak drive-in region, as are the "Scandinavian" states of the Upper Midwest--Wisconsin and Minnesota. The most extensive belt of drive-in strength includes two states of the lower midwest--Ohio and Indiana--and the so-called "Border States," moving East from Oklahoma and Missouri through Tennessee, Kentucky and West Virginia. In these latter two states, there is almost one drive-in for every walk-in theatre. To some extent, then, the drive-in seems most popular among states with a large Appalachian or "hillbilly" population, and both Indiana and Ohio have received a large proportion of Appalachian emigrants.

Although climate seems not to be a major factor affecting the location and popularity of drive-in theatres, (Mr. Selig's "guess" to the contrary), the degree of urbanization of a region does tend to negatively affect drive-in strength. The states of New York, Connecticut, Rhode Island and New Jersey have a relatively small proportion of drive-ins. In New York, drive-ins account for only 5% of theatrical receipts, in clear contrast to the largely rural "strong" drive-in areas of the Border States, Vermont and Maine. Yet many states with significant rural populations, like the Southern and Great Plains states, are not regions of drive-in strength, so there is no hard and fast rule which can be applied nationwide.

But we are still left with the open question of why California drive-ins are so much more prosperous than those of other states. Instead of looking for climatic or cultural factors to which the exhibitor can only respond, it is probably more useful to consider areas of business practice that the exhibitor can, to a large degree, control. More than any other factors, Selig credits the selection of pictures screened and the composition of the target audience as the prime reasons for Pacific Theatre's success. Unlike drive-in circuits in other sections of the nation, Pacific Theatres plays primarily first-run general-audience pictures, competing directly with the prime walk-in theatres. "Generally speaking," Selig says, "a picture that is successful in walk-in theatres will be successful in drive-ins, just as a picture that is successful in New York City will be successful in the rest of the country. There are no 'Wyoming' pictures." Because drive-ins in other parts of the country are usually operated by small independents, Selig offers the reasonable argument that they do not have the financial muscle to compete in the bidding wars with major chains like Pacific Theatres. In short, the independent operators can only obtain second-run or minor pictures in most markets, and attendance suffers.

Secondly, the Pacific Theatre drive-in audience is older than the teenage audience of most drive-ins. Selig cited an in-house survey which to state that "75% of our drive-in theatre business today is composed of young married couples with two or more children." Rather than paying a babysitter to enjoy a night out, the parents take the children with them to the movies. At the drive-in children are not required to sit quietly in one seat. In the privacy of the car they can squirm, scream, fight and talk without disturbing anyone outside the family unit. In addition, drive-ins provide space for the children to run around, often a play-ground, and a snack bar with a much wider range of food than most indoor theatres provide.

I have, so far, been unable to obtain satisfactory interviews with the operators of any of the 14 drive-in theatres in the Cleveland area in order to compare their audience and operating philosophy to the Pacific Theatres chain. However, with the assistance of a graduate student at Cleveland State, I was able to determine the types of films screened by compiling, from newspaper ads, a list of every picture shown on drive-in screens in the metropolitan area from the Memorial Day weekend through September, 1981. I am still in the process of comparing these pictures to those screened in walk-in theatres, but from the breakdown of drive-in films, one can reasonably assume that the audience is primarily teenage and young, unmarried adults (probably somewhat younger than the average indoor audience). Since each of the 18 screens played at least two features on a program, the following count is broken down into number of programs in each rough generic category per screen, per week. If a program consists of one horror film and one comedy, for example, each film counts as $\frac{1}{2}$ a program in its genre. A preliminary count of approximately 85-90% of the programs shown on indoor screens in the same period gives some basis for comparison:

29% of the drive-in programs were comedy, compared to 36% on indoor screens. However, fewer "adult" comedies such as Alan Alda's Four Seasons and Blake Edward's S.O.B. played at drive-ins, while Cheech and Chong films played on far more outdoor than indoor programs. The percentage of horror programs at drive-ins was, at 19%, more than twice their frequency on walk-in screens, as I expected. Pornography composed 11% of all programs (primarily soft-core R-rated titles like Hot to Trot and Locker Room Girls), while soft-core product was rarely found at indoor theatres. The small percentages of Kung-Fu and Disney films were approximately equal on drive-in and walk-in screens.

I placed the remainder of the films, including science fiction/fantasy, in a "general audience" category. From this first rough breakdown, it is clear that indoor theatres in the Cleveland area show more general audience pictures (over 50%) than the drive-ins (35%), and that the drive-ins show more special audience or genre pictures. R-rated films compose the overwhelming majority of drive-in programs, but are less dominant on indoor screens. Excepting soft-core pornography and the greater emphasis on horror films, drive-ins tended to show the same pictures which were playing on second-run screens. Occasionally a major first run picture would be shown at drive-ins, but many more tried and reissues showed up on outdoor screens than in the average second-run theatre. A quick check of drive-in ads in other sections of the country leads me to believe that the Cleveland programs are typical of the outdoor offerings in major metropolitan areas--always excepting California.

Movie admissions and concession stand sales are not the only source of revenue for drive-in theatres. In 1981 nearly one half (6 out of 14) of the Cleveland area installations were advertising Saturday or Sunday flea markets. In two cases, the flea markets continued operating for several weeks after the drive-in had stopped showing movies for the season. Flea markets open around 8:00 a.m., and close at 4 to 5 p.m., in time for management to prepare for the evening film program. According to an article in Variety, cash flow from drive-in flea markets in the Boston area has been steadily increasing. Car spaces are rented to dealers for as much as \$20 per market-day, while patrons are charged \$1 per carload or 50¢ per person if the walk in. Concession stands sell food and drink all day long.

One Massachusetts operation claims that Sunday revenues sometimes reach \$10,000, more than the gross on an average film for an entire week.⁶

What is the future of the drive-in outside California? Most drive-ins serving major metropolitan areas are now surrounded by housing tracts or commercial property, rather than farmland, and it is probably only a matter of time until most owners sell or convert their real estate to other uses. If Ohio is typical, northern drive-in operations are only able to achieve productive use of their land some 60% of the year. During the winter months the drive-in sits vacant, yielding zero return on investment. Southern drive-ins can operate year-round, but the Sunbelt suburban rings are precisely the areas in which land values are increasing most rapidly, giving the owners more reason to sell or redevelop their properties. Excepting California and the rural drive-ins of other states, one can project that the only drive-ins to survive in metropolitan areas will be high volume, multi-screen operations, or those that court specialized audiences. In the Cleveland area, for example, two of the apparently most successful outdoor theatres are closed only 3 months of the year, compared to the average 4½ months. One of these, the Memphis, is Cleveland's only triple-screen operation, supplementing the film gross with a Saturday flea market. The other cold-weather drive-in, a single-screen operation, often plays X-rated pornography. A check of the newspaper ads for Texas drive-ins on February 6, 1982, revealed that 5 of the 7 single-screen operations in Dallas and Houston were playing hard-core pornography, while the general audience films were playing predominantly at double, triple, and quadruple screen drive-ins.⁷

I will give the U.S. government the last word on the drive-in. At the end of the motion picture section of the 1982 U.S. Industrial Outlook

"industry sources" are said to estimate that by the end of the decade 1/3 of all movie screens will be dark. At both drive-ins and walk-ins, the ticket price will rise, attendance will fall. Although sub-run indoor theatres will be hard hit, the report projects that drive-ins will be the "first to close."⁸ I should point out, however, that these projections have been wrong before.

End