

TABLE 1
THE VIDEO WINDOW: DESCRIPTIVE STATISTICS (NUMBER OF DAYS)

Video year	Obs	Mean	Median.	Std dev.	Minimum	IQR Ratio
1988	106	186.1	192.5	54.9	70	1.16
1989	122	197.1	193	50.0	96	0.85
1990	126	188.2	184.5	46.0	77	0.77
1991	128	183.5	174	44.9	14	0.72
1992	115	189.7	187	42.8	61	0.67
1993	124	187.7	187	42.4	89	0.92
1994	88	181.7	175	36.3	117	0.92
1995	100	181.9	179	34.9	95	0.75
1996	134	177.0	179	43.5	95	0.84
1997	114	177.3	172	39.1	74	0.80
Overall	1157	185.1	180.0	44.3	14	0.81

TABLE 2
MEAN AND MEDIAN OF WINDOW-RELATED VARIABLES (NUMBER OF DAYS)

Video year	<i>TheaterRun</i>		<i>TheaterRun @95%Rev</i>		<i>Gap</i>		<i>Gap@95%Rev</i>	
	mean	median	mean	median	mean	median	mean	median
1988	88.4	70	62.7	49	97.7	97.5	123.3	123
1989	84.2	70	57.5	49	112.9	117	139.6	137
1990	94.1	84	59.2	49	94.1	96	128.9	122
1991	102.4	84	63.9	56	81.1	94	119.6	123
1992	96.7	98	63.9	63	93.0	96	125.8	125
1993	103.0	98	66.7	59.5	84.7	83	121.0	117
1994	110.7	105	65.8	56	70.9	68	115.9	117
1995	123.7	126	65.5	56	58.2	61	116.4	123
1996	121.7	112	60.5	56	55.3	60	116.6	116
1997	123.0	119	61.8	49	54.4	53	115.6	116
Overall	104.5	98	62.6	56	80.6	83	122.5	123

TABLE 3
VARIABLE DEFINITIONS

Dependent variables	
<i>Window</i>	Time interval in days between a film's theatrical release and its video release
<i>Gap</i>	Time interval in days between the end of a film's theatrical release and its video release
<i>Gap@95%Rev</i>	Time interval in days between the date that a film earns 95% of its total theatrical revenues, and its video release
Independent variables	
<i>VCRPen</i>	% household penetration of VCRs for the year of theatrical release
<i>BoxTotalD</i>	total box-office receipts earned by the movie over the course of its theatrical run (\$millions, deflated)
<i>MaxScreens</i>	the maximum number of theater screens reached during the movie's theatrical run
<i>RealInt</i>	nominal 6 month T-bill rate of the FRB less the expected inflation rate (estimated on the basis of past inflation rates from 1960 to 1997 (%))
<i>ProdCostD</i>	estimated production cost of the movie (\$millions, deflated)
<i>IndDum</i>	dummy variable = 1 if the movie has a non-MPAA theatrical distributor <i>and</i> a non-MPAA video distributor; = 0 otherwise
<i>Month (Feb, etc.)</i>	dummy variables indicating the calendar month of theatrical release.
<i>Genre (Action, etc.)</i>	dummy variables that defines one of eight primary genre categories identified by EDI.
<i>TheaterRun</i>	Interval in days between the film's theater release and the end of its theater run
<i>TheaterRun@95%Rev</i>	Interval in days between the film's theater release and the date that it earns 95% of its total theatrical revenues.

TABLE 4
VIDEO WINDOW ESTIMATES: WINDOW ON THEATER RUN LENGTH

Dep. Variable = *Window*

VARIABLE	(1) Full Sample			(2) Run length under 11 weeks			(3) Run length 11 to 17 weeks			(4) Run length over 17 weeks		
	Coef.	**	t	Coef.	**	t	Coef.	**	t	Coef.	**	t
<i>Constant</i>	287.44	**	(9.05)	246.97	**	(3.75)	326.99	**	(5.52)	344.20	**	(6.85)
<i>VCRPen</i>	-1.04	**	(6.13)	-0.26		(0.84)	-0.85	**	(2.64)	-1.51	**	(5.46)
<i>IndDum</i>	-27.44	**	(4.69)	-21.55	**	(2.41)	-20.06		(1.54)	-37.87	**	(3.58)
<i>RealInt</i>	-8.90	**	(2.70)	-2.67		(0.39)	-14.98	**	(2.49)	-9.48	*	(1.90)
<i>ln(BoxTotalD)</i>	0.83		(0.37)	13.02	**	(2.80)	6.13		(1.33)	-1.44		(0.35)
<i>ln(MaxScreens)</i>	-4.76	*	(1.74)	-8.55		(1.56)	-11.24	**	(2.14)	-4.67		(1.01)
<i>ln(ProdCostD)</i>	-5.64	**	(2.07)	3.25		(0.50)	-9.23	*	(1.93)	-5.14		(1.35)
<i>ln(ProdCostD)</i> <i>x RealInt</i>	2.57	**	(2.68)	1.07		(0.52)	4.17	**	(2.38)	2.49	*	(1.79)
<i>SellThrough</i>	-19.65	**	(2.80)	-37.29		(0.88)	-6.12		(0.41)	-17.03	**	(2.17)
<i>TheaterRun</i>	0.25	**	(8.34)	-0.32	*	(1.82)	-0.21		(1.25)	0.43		(9.92)
adj. R ²	0.20			0.04			0.08			0.38		
F	11.78 **			1.67 **			2.27 **			9.72 **		
N	1157			410			363			384		

** significant at 5% level; * significant at 10% level

(Continued)

TABLE 5
VIDEO WINDOW ESTIMATES: WINDOW ON THEATER RUN LENGTH @ 95% REVENUES

Dep. Variable = *Window*

VARIABLE	(5) Full Sample			(6) Run length under 11 weeks			(7) Run length 11 to 17 weeks			(8) Run length over 17 weeks		
	Coef.	**	t	Coef.	**	t	Coef.	**	t	Coef.	**	t
<i>Constant</i>	255.85	**	(7.62)	209.90	**	(2.87)	314.37	**	(4.85)	324.29	**	(5.84)
<i>VCRPen</i>	-0.68	**	(4.24)	-0.44		(1.46)	-0.95	**	(2.99)	-0.80	**	(2.77)
<i>IndDum</i>	-25.35	**	(4.34)	-21.11	**	(2.35)	-21.02		(1.61)	-29.98	**	(2.71)
<i>RealInt</i>	-7.84	**	(2.38)	-2.19		(0.32)	-14.44	**	(2.40)	-4.37		(0.83)
<i>ln(BoxTotalD)</i>	2.20		(1.02)	8.44	*	(1.77)	5.10		(1.03)	1.82		(0.42)
<i>ln(MaxScreens)</i>	-2.67		(0.92)	-4.53		(0.75)	-11.01	*	(1.78)	-2.79		(0.55)
<i>ln(ProdCostD)</i>	-5.09	*	(1.86)	4.11		(0.63)	-8.92	*	(1.86)	-4.27		(1.06)
<i>ln(ProdCostD)</i> <i>x RealInt</i>	2.45	**	(2.55)	0.87		(0.41)	3.99	**	(2.28)	1.58		(1.08)
<i>SellThrough</i>	-18.23	**	(2.60)	-33.95		(0.80)	-6.79		(0.46)	-20.42	**	(2.48)
<i>TheaterRun</i> <i>@95%Rev</i>	0.39	**	(8.11)	-0.06		(0.25)	-0.09		(0.50)	0.46	**	(7.45)
adj. R ²	0.20			0.03			0.08			0.32		
F	11.61 **			1.54 **			2.21 **			7.55 **		
N	1157			410			363.00			384		

** significant at 5% level; * significant at 10% level

(Continued)

TABLE 6
OUT-OF-MARKET GAP MODELS – THEATER RUN COEFFICIENTS

VARIABLE	Coef.	t	Coef.	t	Coef.	t	Coef.	t
Dep. Variable = <i>Gap</i>	(1) Full Sample		(2) Run length under 11 weeks		(3) Run length 11 to 17 weeks		(4) Run length over 17 weeks	
<i>TheaterRun</i>	-0.75	** (24.47)	-1.32	** (7.56)	-1.21	** (7.28)	-0.57	** (13.3)
adj. R ²	0.60		0.15		0.19		0.46	
F	64.74	**	3.70	**	4.33	**	13.13	**
Dep. Variable = <i>Gap@ 95% Rev</i>	(5) Full Sample		(6) Run length under 11 weeks		(7) Run length 11 to 17 weeks		(8) Run length over 17 weeks	
<i>TheaterRun @ 95%Rev</i>	-0.61	** (12.74)	-1.06	** (4.19)	-1.09	** (6.02)	-0.54	** (8.84)
adj. R ²	0.25		0.06		0.11		0.27	
F	15.48	**	1.95	**	2.78	**	6.30	**

** significant at 5% level; * significant at 10% level

TABLE 7
ADDITIONAL TESTS

Model	White test	RESET test	Significance test
1	74.6 (0.00)	10.5 (0.00)	2.91 (0.01)
2	36.7 (0.34)	0.05 (0.94)	2.92 (0.01)
3	35.6 (0.34)	2.07 (0.10)	2.49 (0.02)
4	97.0 (0.00)	5.85 (0.00)	2.24 (0.04)
5	66.6 (0.00)	8.28 (0.00)	1.58 (0.15)
6	37.2 (0.32)	0.14 (0.85)	1.99 (0.06)
7	34.5 (0.39)	1.63 (0.17)	2.05 (0.05)
8	56.9 (0.01)	7.97 (0.00)	0.53 (0.71)

Note: *p*-values are shown in parentheses.

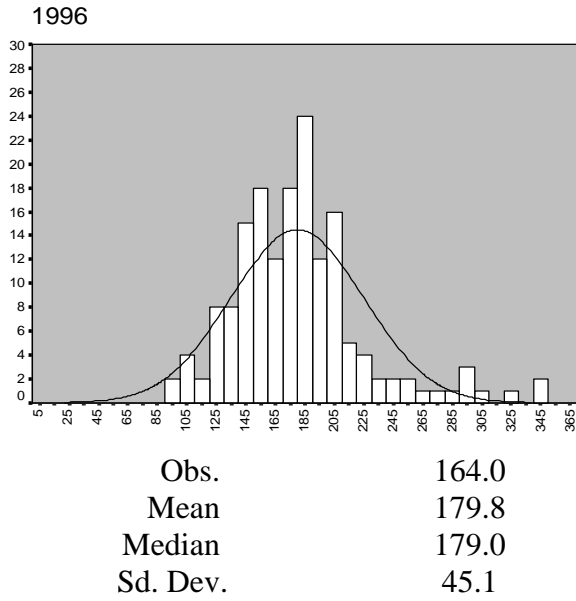


Figure 1
Frequency Distribution of Video Window, 1996

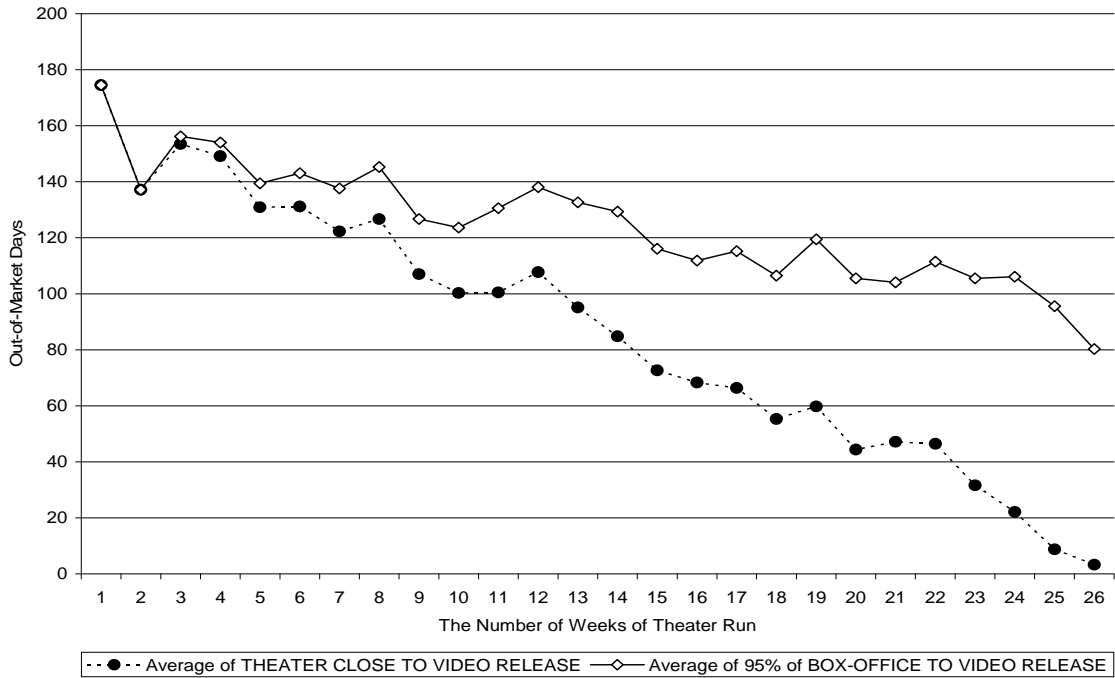


Figure 2
The 'Out-of Market' Gap in Relation to Theater Run Lengths:
Averages for 1988-1997