

## BUSINESS INCUBATOR » TIPS FOR ENTREPRENEURS

THE COMPANY » GENEVA FILM CO.

**The problem** Maker of commercials is struggling to sell digital 3-D ads in a market that isn't ready to buy**The plan** Continue traditional 2-D work while evangelizing on the power of 3-D and maintaining an expertise in the medium**The payoff** International recognition and strong growth in 3-D projects once the technology catches on

## Filmmaker zooms in on elusive 3-D market

BY FRANK ARMSTRONG

It was during a 1998 visit to Japan that James Stewart first became aware of the immersive power of digital three-dimensional filmmaking.

The owner of Toronto's Geneva Film Co. was working on a project for Japanese broadcaster NHK when his hosts showed him experimental footage of a Nagano Olympics hockey game shot in digital 3-D. "It was like being on the ice with the players - I felt like I was part of the game, every pass, every hit," Mr. Stewart says.

At that moment, he knew the future of cinema and television would be three-dimensional. After all, humans see the world in 3-D - why should their screen experiences be any different?

But it would be eight years before he would shoot his first 3-D production, and almost 10 years before the technology would be available and cost-effective in North America.

Mr. Stewart began pitching 3-D commercials to advertisers about 18 months ago, as a tidal wave of Hollywood movies, all shot in digital 3-D, were hitting theatres. Today, the number of 3-D-enabled cinemas is growing across Canada, and television manufacturers are releasing 3-D-compatible high-definition sets.

Nonetheless, Mr. Stewart has had trouble persuading ad agencies and marketers to upgrade to 3-D, which costs 10 to 30 per cent more to make than 2-D. Many people don't realize how far the technology has advanced, he says: "They still ask, 'Do I have to wear the coloured glasses that can make you sick?'" The old two-coloured glasses are gone, replaced by sturdier polarized shades.

Since 2005, Mr. Stewart has filmed several commercial-type projects, including a 3-D ad that will appear at cinemas and on the Web this summer (confidentiality agreements prevent him from releasing details).

He still shoots more than half of his commercial projects in 2-D but spends at least one quarter of his time evangelizing about digital 3-D. As one of few producers worldwide who do live action work in 3-D, he regularly speaks at conferences alongside the best-known 3-D producers, such as James Cameron and Jeffrey Katzenberg.

If, or when, digital 3-D proliferates, Mr. Stewart expects his expertise in the medium to make him an industry leader, which will benefit his business and allow Geneva Film to one day work exclusively in 3-D.

"Is every marketer and ad agency thinking about 3-D? Not yet," he says. "But, eventually, we're going to see all filmed content in 3-D."



James Stewart, a filmmaker who wants to specialize in 3-D video production, shows off the polarized glasses required for 3-D viewing.

RYAN ENN HUGHES/THE GLOBE AND MAIL

## What the experts say

Michael Moskowitz has no doubt that many more Hollywood films are coming our way in 3-D, and that these mainstream movies are the precursors to commercials.

As the chief executive officer of XM Satellite Radio Canada, which initially struggled to capture the interest of Canadian consumers, Mr. Moskowitz is familiar with the challenge of selling technologies in an immature market.

For a company such as Geneva to succeed, it must be prepared to be flexible and make its product simple to use.

Mr. Moskowitz speculates that demand for 3-D may not reach critical mass until consumers can view it on their televisions without the aid of special glasses.

"[Getting people to] put on glasses to watch a commercial,

I think, would be difficult," he says. "[Consumers] don't want to do a lot of work."

Television manufacturers are working on technology that would allow viewers to see in 3-D without using glasses, but they're not there yet.

"That to me is a tipping point," he says.

Mark Satov, president of Toronto business-strategy firm Satov Consultants, says Mr. Stewart seems to be playing it smart by maintaining his 2-D commercial work while establishing himself as a 3-D visionary.

"It's possible the investment he is making in being a first mover will not bear fruit to the extent he thinks it will because he can't predict that, but he's not putting all his eggs in one basket, which is the key," Mr. Satov says.

Mr. Stewart's ability to bene-

## In a nutshell

» **Stay the course:** Continue working on two-dimensional projects while evangelizing about 3-D.

» **Maintain industry credibility:** Ensure advertisers know that Geneva Film is the best at producing in digital 3-D so the company gets credit once the technology is more widely adopted.

» **Be flexible:** Acknowledge that the future of the market is unknown, and be ready to adapt to change.

fit from being an industry leader depends on three factors: the time it takes for the technology to gain advertiser acceptance, advertiser acknowledgment that he is the best, and his capacity to handle huge demand, Mr. Satov says.

The number of digital 3-D-ready televisions sold will determine when advertisers start ordering 3-D commercials, he points out. Some people will buy the new TVs because they will be excited about 3-D technology, but most people will wait until they replace their old TV, he says.

When advertisers begin to invest in 3-D commercials, many other production companies will start offering 3-D services.

Mr. Stewart will have to ensure that advertisers know he is better at making 3-D com-

mercials than they are, Mr. Satov says.

Otherwise, all his 3-D evangelizing work will provide only industry goodwill.

"If he can't actually convince everybody once that happens - that he either gets a price premium or a disproportionate share for his sales efforts - then he may be better off just sitting and waiting and doing nothing," Mr. Satov says.

Mr. Stewart's third challenge will be to make sure he's ready to scale up quickly for heavy demand. "If he's not ready, then he's not going to be able to capitalize on it," Mr. Satov says.

He may find his expertise stretched thin when he has to shoot more than a dozen productions at the same time, Mr. Satov says.

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