

Increasing Returns to Information and the Survival of Broadway Theatre Productions

Many similarities exist between films and live theatre. Examination of the relationship between the log rank of a Broadway show and the number of performances reveals a significant departure from the Pareto distribution. This matches the findings made for the corresponding relationship between log rank and film revenues. Using models of duration it is shown that a variety of characteristics determine the number of performances on Broadway including genre and whether the show is in receipt of prestigious awards. These findings are also similar to those for films except for the fact that as the duration of a run increases the hazard rate declines. This is consistent with a situation in which individuals base decisions on which show to attend partially on the observed length of a theatrical run. Over time theatrical productions are tending to survive longer in the market place and original shows tend to outlast revivals.

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