After writing a column last fall about people's growing disaffection with movie theaters, I received a letter from a theater owner who said this doomsday attitude has been around so long that he'd read a piece in Variety back in the 1950s by a theater owner named Mitchell Wolfson defending his business against premature burial.

I know the story well. Mitchell Wolfson was my great uncle. And my grandfather, Sidney Meyer, ran a chain of movie theaters in Miami for half a century, so a love for movies runs deep in my veins. But as I told the theater owner, there's more to the story, which has particular relevance to the quagmire that theater owners — and Hollywood — find themselves in today.

In the 1950s, as today, theaters were under siege, their audience being lured away by a dazzling new technology. Today's competition comes from the Internet, computer games and home entertainment centers. Then the enemy was television. "How do you compete with free?" theater owners moaned, the same mantra we've heard from record executives complaining about unauthorized file sharing.

My response has always been the same: You've got to embrace the future. Maybe I feel so comfortable preaching this particular gospel because I remember what Sid and Mitchell did when faced with the scary new technology of their day: They took a big chunk of their theater profits and started Miami's first TV station. Not only didn't it ruin their original business, but when their company was sold off after their deaths, the TV station was far more valuable than the theater chain.

Unfortunately, when it comes to embracing new technology, most people in showbiz are in deep denial. In his recent state of the industry speech at ShoWest, Motion Picture Assn. of America chief Dan Glickman offered the tired bromide of a "Got Milk"-style campaign to promote theater attendance. National Assn. of Theater Owners chief John Fithian gloated over the failure of "misguided experiments" in same-day release of movies on DVD and in theaters.

But perhaps the worst combination of denial and hypocrisy was on display at the Oscars, when Academy President Sid Ganis touted the theater experience, saying, "I bet you that none of the artists nominated tonight have ever finished a shot in a movie, stood back and said, 'That's going to look great on DVD.'" Ganis is a genuinely decent man, but it's hard to imagine a more egregious instance of Hollywood's "Do as I say, not as I do" elitism. No institution has more fiercely protected its right to watch movies on DVD than the academy, whose members are treated to Oscar screeners every holiday season, while we get a lecture about how we should settle for endless pre-show ads and overpriced popcorn.

As it turns out, the New Yorker magazine on the stands the week of the Oscars featured "Capote" director Bennett Miller (one of those "artists nominated tonight") in a big two-page ad for a new Intel system that pictures him in his "streamlined home theater/media room, which he uses to download and view movies."

Even worse, NBC and several other knuckleheaded media companies have threatened YouTube.com, the wildly popular website that features short clips culled from TV shows and home videos. Last month NBC ordered YouTube to pull "Lazy Sunday," a "Saturday Night Live" sketch that had become an Internet sensation. Whether the NBC move was driven by uptight lawyers or a desire to force Web surfers to view the clip on the network's own site, it was yet another paranoid misreading of the Internet, whose ability to expose the clip to millions of connected computer users would give a much-needed boost to an aging TV comedy franchise.

In its obsession with quarterly earnings, the industry has failed to notice that movie lovers — led by young males, once the most loyal members of the tribe — are being transformed into media consumers, siphoned away from movie theaters by a growing assortment of more involving electronic toys. If you need more evidence, read the fascinating recent survey conducted by OTX, a leading movie research firm that found that under-25 males, the earliest adopters of new technology, saw 25% fewer movies in the summer of 2005 than in the summer of 2003. Even worse, young males now rate theatrical movies No. 7 among weekend activities, behind everything from surfing the Web and playing computer games to (ouch!) going out to dinner.

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"There's an attitudinal shift in our culture," says Kevin Goetz, who heads OTX's West Coast media and entertainment division. "In the last 10 years there's been a 500% increase in what the average digital consumer spends on entertainment, but that increase is going to iPods, cellphones and computer games, not more theatrical moviegoing. People have so many other things to do with their time that they view the prospect of going to the movies very differently than 10 years ago."

The industry isn't going to win back young moviegoers with a corny ad pitch — it's like telling kids to listen to Count Basie instead of 50 Cent. I'll always love seeing movies in a dark, wondlike theater, but the next generation has a different view of the world. They're as enthralled by their new gadgets as my generation is by the movie palace.

I don't mean to belittle the industry's fear of the future, since rapid shifts in technology can wreak havoc on any business. And according to Al Ries, an influential marketing strategist, nearly every company has struggled with technological change. In part of his 1996 book, "Focus: The Future of Your Company Depends on It," he chronicled Kodak's efforts to protect its core business from digital photography. I couldn't help but notice how the mindset of George Fisher, brought in to run Kodak that year, resembled the film industry's attitude toward downloading, which has been hobbled by myriad restrictions designed to protect DVD sales. Digital will grow, he said, "but it will not replace traditional photography, at least in my career."

I asked Ries to assess Fisher's prediction. "He was absolutely right," Ries said. "It didn't happen during his career. He got fired." (Fisher left Kodak in 2000.) Ries is convinced the movie industry is too resistant to change. "They're all fighting a rear-guard action. They're like a lot of companies, trying to hold on to what they have instead of taking a chance on what's coming next."

To look around the industry today is to see people taking baby steps in the right direction. The networks are selling TV shows for downloading to iPods. Universal Pictures just announced plans in Britain to allow people to download permanent digital copies of "King Kong" and other films on their computers. Even News Corp., once the most draconian advocate of anti-piracy restrictions, has geared up to beat its rivals to the treasures awaiting the first company that crosses the digital divide.

News Corp. President Peter Chernin recently said at an invitation-only dinner at the Consumer Electronics show that Fox plans to establish a new 60-day post-theatrical window in which people with high-definition home entertainment systems can rent movies for one-time showings via video on demand. Fox released "Walk the Line" on DVD five days before the Oscars, while it was still in hundreds of theaters. The studio also bought MySpace.com, the popular youth-culture website, and has launched a division devoted to delivering digital content to mobile phone users.

But studios can't simply announce that they're in the digital business. They have to adopt the DIY sensibility of young consumers who want to put an individual imprint on content. For young Web devotees, the most absorbing art right now is not movies but "mash-ups," which began as idiosyncratic remixes of two different songs but have now made the leap to video, where "The Shining" trailer has been reinvented as a feel-good movie and "Sleepless in Seattle" recast as a stalker film.

Savvy studio marketers have jumped into the fray. New Line Cinema has encouraged fans to mash up its trailer for the film "Take the Lead," with the results posted on YouTube and other sites. "Snakes on a Plane," another upcoming New Line film, has generated plenty of buzz on fan-based sites as a result of a movie poster Photoshop contest at Fark.com and a Tagworld.com promotion that gives would-be recording artists a shot at movie soundtrack spot.

Young people still love movies. But with the exception of a steadily shrinking number of Big Event films, they don't have an overriding desire to see them in a theater. And they aren't willing to wait until the studios have cashed in their DVD profits. If it takes months for a movie to come to their preferred medium, they'll find other content to absorb. Like it or not, this is a generation trained to access media when and how it wants it, not when it best fits the studio's profit picture.

When Glickman spoke at ShoWest, he quoted a favorite line from "Ferris Bueller's Day Off," in which the film's title character says, "Life moves pretty fast; if you don't stop and look around every once in a while, you could miss it." Life does move fast. Technology moves even faster. And if the industry thinks the solution to its problem is simply one good batch of summer movies, it's going to stop and look around one day and wonder where all the moviegoers went.

"The Big Picture" runs Tuesdays in Calendar. If you have questions or criticism, e-mail them to patrick.goldstein@latimes.com.