**CINEMAMONDO**: New integration in drama and future
What film do foreigners watch in Italy? This is the question at the core of “Cinemamondo”, the initiative conceived by MEDIA Salles with the aim of making a qualitative and quantitative analysis of cinema-going among Italy’s foreign communities. This project is an extension of the Italian Ministry of Social Solidarity, meant to fill an important gap in the sociological and demographic assessment of entertainment enjoyed by this part of the population, which is not a per se cultural and entertainment exchange that requires brand management and business strategies. With the support of the Italian Government, MEDIA Programme with the experimentation of the European Film Institute. A good year a look at Eurimages in 2006
During the latest Berlinale, MEDIA Salles presented the “European Cinema Years” project, with the figures on cinema-going in Europe in 2006. Cosal Daskalkakos, Head of the Media Unit of the European Audiovisual Cohesion, explained the presentation, underlining the importance of knowing the main international cinema trends through the statistical data as carried out twice a year by MEDIA Salles. The first edition of the Yearbook revealed an overall increase in admissions in the Euro-PEOPLE IN THE NEWS
Jens Rykær - Digital is moving forward. And the exhibitors seek new milestones. With these new products, do you think the milestone of the 2,000 projector barrier can be overcome?... the exhibitors and the spectators. We estimate that the large chains in Europe will also break onto the scene toward the end of the year.

New technology - Exhibitors’ turn to speak
Digital is moving forward. And the exhibitors seek new milestones. With these new products, do you think the milestone of the 2,000 projector barrier can be overcome? I certainly do. On the basis of the enquiries we have received so far, I foresee the 2,000 mark being reached by the end of the summer. But we are not stopping here: I expect we will reach 3,000 projectors by the end of the year.

How much do costs influence the exhibitors’ purchasing decisions? A reduction in prices is certainly one of our objectives. And it isn’t a new one. Now, thanks to Texas Instruments’ new Barco allows you to omit the use of anamorphic lenses, which reduces the total cost of the system by nearly 10,000 euro.

Do you think the formulas that are being used in the United States starting from Virtual Print, will come to Europe, too? I am among those who think that a single business model cannot work everywhere. Alongside Virtual Print, there is, for instance, the “pay per screen” or “pay per week”. In Europe, there are already several well-established integrators, such as XDC, Arts AL and Einar (think film plus) promoted by several countries. Probably smaller countries with a highly concentrated market will be the first to look at a formula such as this.

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THE SPREAD OF D-CINEMA: 2006 YEAR OF THE WATERSHED

In view of the increased speed at which D-Cinema is spreading (see graph on next page) and the forecast using our mathematical models, it is estimated that 35mm will be overtaken rather more in 2006 (10,000 units) than in 2005 (5,000 units). This year was the year of the watershed.

This forecast is corroborated by a close watch on the spread of D-Cinema internationally. Furthermore, the spread of the new technology is not purely technological but which is destined to produce, especially of a commercial nature, on the one hand, the wide diffusion of the new technology – it will be possible to everyone and cannot be underestimated. It demonstrates clearly the need for clear and achievable goals at market level, which are increasingly difficult to reduce to a niche for the needs of the majority. And in this case it is possible to suddenly leap forward. In this context it becomes more and more important to take a look at the near future of D-Cinema.

As already outlined in the pages of MEDIA Sales “DGT online informer”, our proposals for an adequately reliable forecast of the spread of D-Cinema (Dec. 2005) were based on the assumption that the adoption of the new technology, among other things, is widespread in Europe, i.e. that a small percentage of respondents stated that a multiplex for the introduction of multiplex cinemas throughout regional and major metropolitan areas of Europe, which will be amongst the first to start no later than 2006. A similar estimate was made for the spread of digital projection in 2005 (45%).

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The accuracy of the model’s forecasts could be improved by adding more factors to the analysis, making it more complex, such as the introduction of digital cinema in Europe in 2001. This new development that had already been glimpsed in the first half of 2006: on 31 December 2006 the number of digital screens had risen to 2,866, with a 383% increase compared to the previous year! An exceptional growth rate compared to the past, as shown in the following graph.

ATTENDANCE IN ITALY

Our High Wycombe site was chosen for this initial test installation for a variety of reasons. Firstly, with wall to wall screens, great seats, seating for over 1,100 people, including both bar and coffee areas at the sides, the purpose-built auditorium provides an enhanced experience for the cinema goers. Secondly, being just off the main M40 link out of London and located in a community with a good and stable population, the site is at the peak of the entertainment. Thirdly, the site has a single projection booth where staff can work, changing and monitoring the projectors and screens. Empire had already been using digital side projection at the site which gives us experience in the integration of our systems and some of the communication links required. It also means that as we are testing the site at the site are a site that is well-seated and experienced with digital projection from the start.

Even though it was a real test we wanted the site to show a high percentage of digital product throughout the year. With six screens it is easier to fill and maintain a full roster of digital product for the cinema to operate under all digital conditions.

European exhibitors usually complain about the scarcity of good quality digital releases movies. It is currently possible to fill six cinema screens with a movie line up! Having recently visited SirWest and spoken to all of their staff, they feel that they are released to release the bulk of their slate in digital. At this time and it will be important for exhibitors to continue to lead the charge in digital cinema and building momentum for digital projections outside of the traditional cinema.

The spread of D-Cinema: Europe versus the Watershed

In the view of the increased speed at which D-Cinema is spreading around the world, the launch of D-Cinema in Europe in 2001, and the spread of D-Cinema installations in North America in 2002, the impact of D-Cinema on the marketing and consumption of new films is rapidly changing. More than 39% of the world’s population is engaged in digital media at one time or another. The number of cinemas that use digital projection is growing rapidly, and the growth rate compared to the past, as shown in the graph.

Table 1 – Profiles of cinema patrons – Italy (Claimed frequency)

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The enormous growth (the highest ever recorded since the introduction of D-Cinema in 1999) is a very different rate. Italy and Europe continued to grow as in the United States at a rate of 2.9 in 2006, showing that it is mainly the multiplexes (generally part of large USA the world of cinema exhibition is characterised by greater concentration (the Regal cinema chain alone possesses as many as 6,386 screens), which means that when a chain decides to change to D-Cinema this causes a sudden leap forward in the total number of digital screens, according to a process of stochastic diffusion which is different to the previous one.

There are many markets where this diffusion is not yet widespread and as our researchers (an average of -16% each year since their introduction onto the market), the increase in the number of screens adopting digital projection technology in 2005 (+5%), the increase in the number of screens adopting digital projection technology in 2006 (+5% or more) was slower, "a transition year, with a more moderate growth rate compared to the previous year. In fact, many people believed that the market was in the position of having to "cross the chasm" of the drop in sales that is sometimes to be seen after the launch of a new product: when purchases by innovators and early adopters are no longer present and a way has not yet been found of getting through to the late majority.

Instead, what has happened? In February 2005, a few weeks before the introduction of D-Cinema in Europe, a new figure was introduced to the world of cinema exhibition: the digital cinema. The digital cinema is an average of very different rates. Asia and Europe continued to...
Digital Cinema as a Relationship-Building Experience between the Exhibitor and the Spectator

Today we can safely say that in an age characterized by the continuous evolution of the entertainment experience, economy, mood segmentation and emerging lifestyles, the world of cinema is more than ever a fertile ground for the birth of new scenarios from the point of view of strategic marketing.

- The increasingly pervasive role of new technologies such as Internet and digital which, on the one hand allow for the offering of services that simply daily life and, on the other, provide the opportunities for satisfying users' demands, constitute a new territory in terms of aims (variety and variability) of the system of interactions between individuals, businesses and the environment.

- The increasingly pressing need to create multi-media and multi-channel events which, relying on active participation by the consumer, constitute to building and enhancing the significance of the personality of both the brand (whether represented by a company, a product, a business sign or a cinema), and the consumer. This leads to two considerations.

  Firstly, the movie theatre is a business enterprise that requires brand management with the clear objective of helping to develop a positive image leading spectators to prefer it to others and remain loyal to it.

  Secondly, the coherence of offering a new way, spectators will be strongly encouraged to form a long-term relationship with the cinema, based on the offer of quality, variety and continuity of the entertainment experience and enjoyment of leisure time.

**CINEMAMONDO**: New integration in cinema and future

What films do for the wellbeing of the world? It is this the question at the core of “Cinemamondo”, a new project presented in Milan by MEDIA Salles with the aim of making a qualitative and quantitative analysis of cinema viewing among Italy’s foreign communities.

This project is directed toward the younger audience, the more closely involved in the process of integration. The main objective of this project is to serve as a tool for cultural and social exchange and it is also achieved through an increased awareness of the importance of cinema as a means of learning about other languages and cultures.

From another perspective, “Cinemamondo”, which is also supported by the Italian Ministry of Social Solidarity, means to fill an important gap of a sociological and demographic order, an area of entertainment preferred by this part of the population, but which is not a target for any of the major film companies.

The world meets at the cinema, a series of events and meeting points, starting on April 12 in Milan and continued in a joint working with the 17th, African, Asian and Latin American Film Festival (Milan, 19-25 March), to collect information on the cinema-going and television programmes watched by citizens of foreign origin in Italy.

A GOOD YEAR

The MEDIA Salles’ data on European admissions in 2006

During the latest Berlinale, MEDIA Salles presented the “European Cinema Yearbook 2006” final edition, with the figures on cinema-going in Europe in 2006, collected and elaborated by MEDIA Salles, is to be easily found in the electronic version of the Yearbook, which can be downloaded free of charge from the MEDIA Salles website at the following address:

http://www.mediapress.it/yearbook.htm

From left: Elisabetta Badella, Secretary General of MEDIA Salles, Costas Dakskasakis, Head of the MEDIA Unit in EACG, Emily Born, President of the European Commission, and Jens Byrak, President of MEDIA Salles.

International edition no. 1 - year IX - March 2007

We are following its progress attentively, since it could be the big surprise of 2007. It should not be before long before the leading exhibition companies and their manufacturers have to change their ways, will this happen? Do you believe that Barco will be the first to take the lead in the development of digital technologies with the aim of being a central player in the future market – will be changing to digital cinema? Will all the leading companies seize the opportunity and push Barco's competitive lead over the myriad of out-dated theatre-equipped with electronic projectors.

In 2006 the United States experienced a far higher increase in the number of digital screens compared to Europe (17% compared to 26%). A key role was played here by the American finance market where the digital cinema projectors are available.

Barco will be seeing its place on this scenario as an alliance with an integrator who sets up a finance model is a crucial element for market penetration. And in the United States there are several integration companies which are already equipped with the latest projection equipment.

Do you think the formulas that are being used in the United States starting from Virtual Print, will come to Europe too?

I am among those who think that a single business model cannot work anymore. Alongside Virtual Print, there is, for instance, the sort of ‘pay per screening’ or ‘pay per week’. Europe, where there are already several well-established integrators, such as XDC, Arts Al and E-Cinex then plays the role of an integrator to the European market, which, on the one hand are gradually able to implement digital cinema projects.

How much do costs influence the exhibitors’ decision making? How can they make a profit and how much are they willing to invest?

Barco, in order to keep its position as a leader in digital cinema, means to provide the cinema industry with the necessary data for responding in an effective and quantitative manner to the needs of spectators whose origins are from outside Italy. Up to the present no other project has been developed to the same extent.

The data collected and elaborated by MEDIA Salles is to be easily found in the electronic version of the Yearbook, which can be downloaded free of charge from the MEDIA Salles website at the following address:

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