



an initiative of the EU's Creative Europe MEDIA sub-programme with the support of the Italian Government



# European Cinema JOURNAL

MEDIA SALLES

International edition no. 1 – year XVI – May 2016



Dear friends, many of the 25 years of MEDIA Salles' work – which we start celebrating at this Cannes Festival – have been devoted to leading European cinema exhibition through the digital transition and offering many colleagues the opportunity of significant experiences and of opening up new future prospects for movie theatres.

The next stage of this journey will be the thirteenth DigiTraining Plus course, starting at the end of June in Taormina. After taking part in the 2015 course, I can confirm that, even for a long-term exhibitor like myself, it was extremely useful to meet and make contact with top-level, international, professional players, as well as to exchange experiences with many younger people.

At this stage, the European market is almost fully digitized in terms of equipment but the transformation entails far more than merely replacing projectors with innovative machinery. The digital roll out brings new opportunities and we find ourselves up against new issues: we might say that now the first phase is over, we have to deal with the second (and soon yet another may follow...). The economic models we were used to with 35mm projectors have changed completely and have opened up new scenarios that continue to change. Our attention and commitment to training must be relentless, just as we must not run the risk of thinking that we have reached a new degree of stability.

We, the professional players in this sector, must be aware of all this and make sure we have the tools for understanding and dealing with it. Having digitized screens also entails proposing new models of programming and innovative policies for our spectators - policies capable of building the audiences of the future. This is a challenge the exhibitors and their Associations are aware of: having available opportunities for training and reliable tools for a sound knowledge of the market and its evolution is absolutely

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**Keep up-to-date with the present state and future prospects of digital screening and programming with**

## **DIGITRAINING PLUS: WHAT DO YOU DO WITH CINEMA NOW YOU'VE GOT IT? 29 JUNE – 3 JULY 2016, TAORMINA, ITALY**

2016 will see the thirteenth edition of DigiTraining Plus, the course on digital cinema addressing cinema exhibitors as well as professional and institutional players in the sector, which has been organized by MEDIA Salles – with the support of the European Union and the Italian Government – ever since 2004, when there were only just over 30 digital screens in Europe.

### **The thirteenth edition is to be held in Italy**

The course will be held from 29 June to 3 July in Italy and will benefit from the collaboration of the Regional Government of Sicily and the Sicilian branch of the Italian cinema exhibitors' association.

### **Join MEDIA Salles in Cannes to celebrate 25 years at the service of the European cinema community**



25<sup>th</sup> MEDIA Salles ANNIVERSARY

**14 May, 5 pm:** the traditional MEDIA Salles gathering at Cannes Film Festival is organized this year at the Creative Europe MEDIA Pavilion Stand 121 - International Village, Cannes Film Market.

Join us for an Italian "aperitivo".

**17 May, 3 pm:** Creative Europe MEDIA Training Pills - Focus on Italy at the Italian Pavilion, Hotel Majestic (Salon Marta). A presentation of the Italian training courses supported by the EU's Creative Europe MEDIA sub-programme.

*Get at these events the latest edition of DiGiTalk*

### **Advances in technology and changes in business: this is why unbiased information is crucial, especially for an independent exhibitor**

This message, launched by a participant at the 2015 course, summarizes the approach and spirit of DigiTraining Plus 2016, which will focus on three areas.

### **Theatre Management: decisions on investments**

Now with the digital conversion nearly complete, new decisions must be made. Manufacturers are keen to sell products, such as new sound systems and new projection technologies, with features that may include HDR, larger color gamut and higher light levels for 3D. Marketplace dynamics are reverting to those of the earlier days in cinema, where sellers drove innovation. However, today technology is advancing at a much faster pace, and the cinema market is now highly leveraged. This might represent a threat for small/medium sized exhibitors if they are ill informed when making new investments.

One of the aims of DigiTraining Plus 2016 is to provide the necessary information to offset risks for independent cinemas.

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### **96% OF EUROPE'S SCREENS ARE DIGITAL, BUT NOT ALL COUNTRIES HAVE YET COMPLETED THE DIGITAL TRANSITION**

Europe started 2016 with over 36,000 digital projectors.

According to the statistics provided by MEDIA Salles, the number of screens equipped with either DLP Cinema™ or SXRD™ technology has risen to 36,373, with a 6.6% increase compared to 1st January 2015, when the digital screens amounted to 34,130.

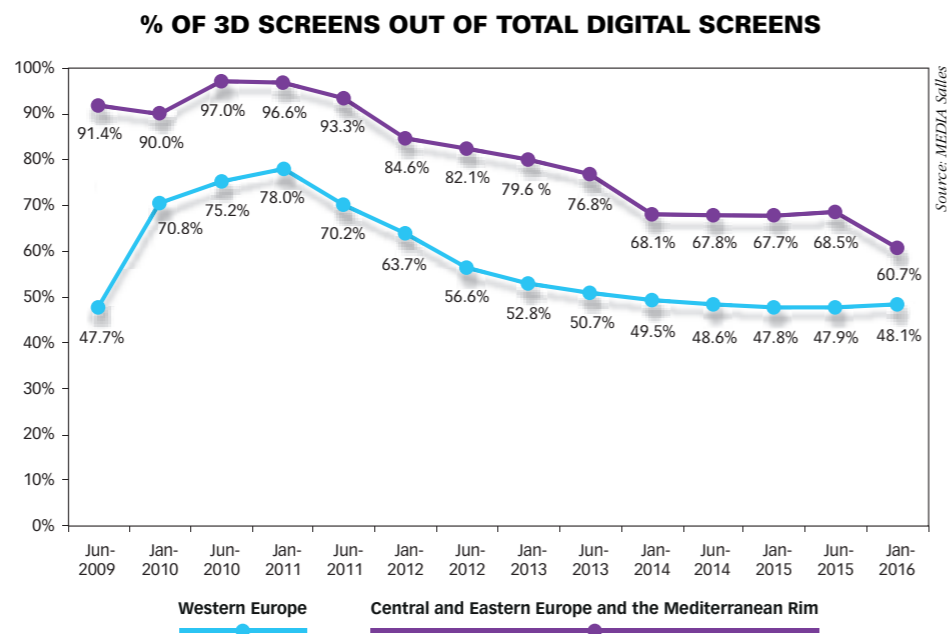
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Full digitization then, or almost. But whilst it is true that most European countries have now replaced all their traditional projectors, there are still 13 countries where the rate of digitization is below average. And whilst some of them, such as Hungary and Spain, Croatia, Romania and Turkey, have now attained or even crossed the 90% threshold and the objective is in sight, others still have a last, and pretty demanding phase to complete.

This is the case in Serbia, for example, where the new technology is available in fewer than half the Country's screens, or Lithuania (61%). In both these countries the digital roll out is a relatively recent phenomenon, not initiated until 2009.

Nonetheless, whilst it is useful for gaining knowledge of how much has yet to be invested to complete technological modernization or – where resources are not forthcoming – how many screens risk closure – the penetration rate of digitization alone is no indication of how easy a spectator may find it to locate a digital screen.



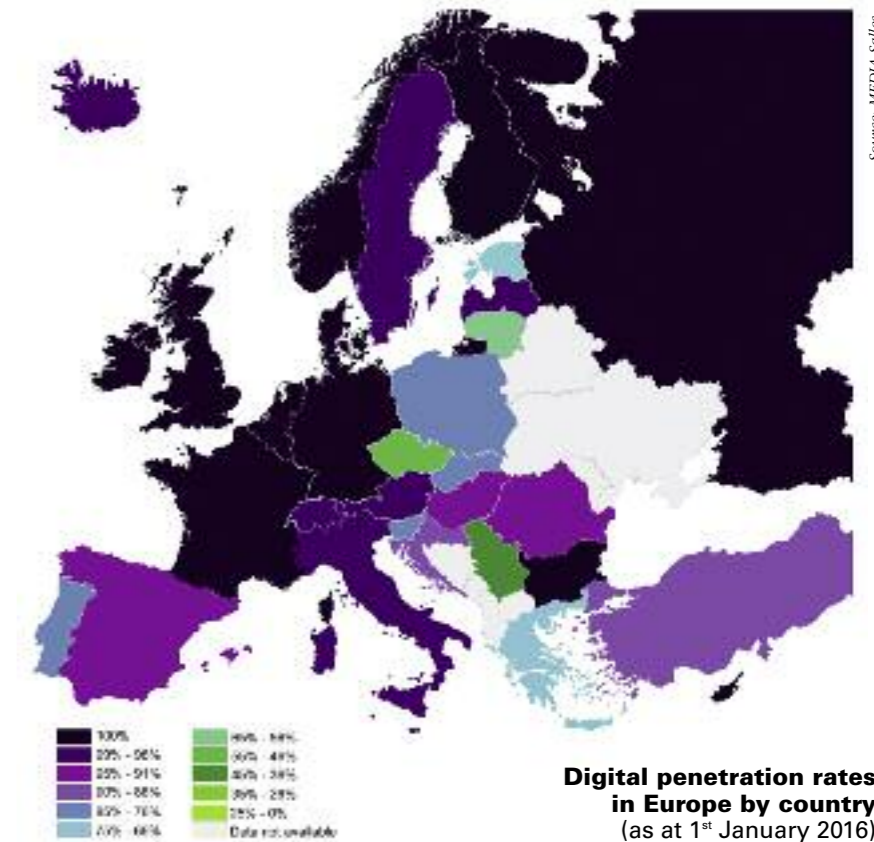
The situation of the Czech Republic is emblematic. The Country's rate of digitization is not only lower than the European average, but also lower than other countries that are comparable in terms of geographical position or the dimensions of their cinema markets. In fact, the Czech digital penetration rate fails to reach 60%,

whilst those of Hungary or Romania, for example, now come to over 90%. Yet, if we consider the ratio between the number of digital screens and the number of inhabitants in these three countries, we will see that the situation in the Czech Republic is far better for the spectator. Here there are almost 45 digital screens per million inhabitants, compared to the 30 in Hungary or the 27 in Romania.

This shows that one of the crucial questions that the cinema industry and public institutions have to pose when analyzing digitization is the extent to which the enormous effort made towards technological innovation has succeeded in bringing advantages not only for industry players but also for audiences.

Elisabetta Brunella

With a view to providing tools for these crucial reflections, MEDIA Salles has initiated a research project, whose initial results are published in the latest edition of DiGiTalk, which may be consulted online at <http://www.mediasalles.it/digitalk2015/>



**Digital screens in Europe by country (as at 1st January of each year)**

Country	2004		2005		2006		2007		2008		2009		2010		2011		2012		2013		2014		2015		2016	
	no of digital screens	penetration rate	no of digital screens	penetration rate	no of digital screens	penetration rate	no of digital screens	penetration rate	no of digital screens	penetration rate	no of digital screens	penetration rate	no of digital screens	penetration rate	no of digital screens	penetration rate	no of digital screens	penetration rate	no of digital screens	penetration rate	no of digital screens	penetration rate	no of digital screens	penetration rate	no of digital screens	penetration rate
Andorra	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	3	3	3	5	100%	5	100%	5	100%	5	100%
Austria	1	1	16	18	35	84	239	306	393	508	537	98%	553	99%	554	99%	515	100%	516	100%	515	100%	516	100%	516	100%
Belgium	10	14	20	35	76	98	144	331	428	480	491	99%	515	100%	516	100%	195	99%	208	100%	195	99%	208	100%	195	99%
Bulgaria	-	-	-	4	4	17	23	57	77	101	163	99%	195	99%	208	100%	140	88%	152	89%	140	88%	152	89%	140	88%
Croatia	-	-	-	-	-	7	8	9	90	100	130	79%	140	88%	152	89%	35	100%	35	100%	35	100%	35	100%	35	100%
Cyprus	-	-	-	-	-	-	6	15	18	21	38	95%	35	100%	35	100%	449	53%	467	55%	449	53%	467	55%	449	53%
Czech Republic	1	1	1	1	1	2	50	133	299	383	430	51%	449	53%	467	55%	415	100%	427	100%	415	100%	427	100%	415	100%
Denmark	-	4	5	5	6	10	25	137	286	392	400	99%	415	100%	427	100%	38	49%	56	69%	38	49%	56	69%	38	49%
Estonia	-	-	-	-	-	2	5	13	18	18	29	44%	38	49%	56	69%	294	100%	311	100%	294	100%	311	100%	294	100%
Finland	-	-	-	1	1	12	48	86	180	250	284	100%	294	100%	311	100%	3	98%	39	98%	3	98%	39	98%	3	98%
France	3	6	21	34	66	253	904	1,885	3,649	5,150	5,565	98%	5,720	100%	5,751	100%	469	100%	496	100%	469	100%	496	100%	469	100%
Germany	2	2	31	96	151	162	566	1,238	2,026	3,134	4,170	91%	4,544	98%	4,692	100%	44	69%	57	98%	44	69%	57	98%	44	69%
Greece	-	-	-	-	2	8	31	59	75	81	126	26%	220	46%	340	70%	299	92%	315	95%	299	92%	315	95%	299	92%
Hungary	1	1	1	1	2	7	31	56	159	250	288	91%	299	92%	315	95%	39	98%	39	98%	39	98%	39	98%	39	98%
Iceland	-	-	-	3	3	7	7	14	28	35	38	95%	39	98%	39	98%	142	203	289	465	142	203	289	465	142	203
Ireland	-	-	1	23	36	38	112	142	203	289	465	99%	469	100%	496	100%	11	16	28	36	11	16	28	36	11	16
Italy	1	4	25	31	38	80	434	912	1,519	2,112	2,850	76%	3,421	94%	3,525	98%	52	55%	58	61%	52	55%	58	61%	52	55%
Latvia	-	-	-	-	-	2	3	11	16	28	36	55%	44	69%	57	98%	35	100%	35	100%	35	100%	35	100%	35	100%
Liechtenstein	-	-	-	-	-	-	-	-	-	2	2	100%	2	100%	2	100%	2	100%	2	100%	2	100%	2	100%	2	100%
Lithuania	-	-	-	-	-	-	5	13	18	21	52	55%	52	55%	58	61%	24	33	34	34	24	33	34	34	24	33
Luxembourg	-	3	3	13	13	21	22	24	33	34	34	100%	35	100%	35	100%	6	6	22	30	6	6	22	30	6	6
Malta	-	-	-	-	-	2	2	6	6	22	30	83%	33	97%	34	97%	861	100%	893	100%	861	100%	893	100%	861	100%
The Netherlands	-	3	18	30	34	56	105	252	540	808	830	100%	861	100%	893	100%	428	100%	433	100%	428	100%	433	100%	428	100%
Norway	1	2	3	23	35	48	61	268	423	416	423	100%	428	100%	433	100%	592	827	972	77%	986	78%	1,074	85%	986	78%
Poland	-	-	-	-	8	53	177	324	592	827	972	77%	986	78%	1,074	85%	434	80%	449	82%	434	80%	449	82%	434	80%
Portugal	-	1	1	5	14	44	181	317	387	392	425	78%	434	80%	449	82%	61	112	136	226	61	112	136	226	61	112
Romania	-	-	-	-	-	14	40	61	112	136	226	86%	263	90%	317	92%	3,715	97%	4,021	100%	3,715	97%	4,021	100%	3,715	97%
Russian Federation	1	1	1	3	31	90	351	941	1,485	2,100	2,967	85%	3,715	97%	4,021	100%	43	38%	47	40%	43	38%	47	40%	43	38%
Serbia	-	-	-	-	-	-	6	7	13	29	27	26%	43	38%	47	40%	142	72%	177	78%	142	72%	177	78%	142	72%
Slovakia	-	-	-	-	-	-	10	36	76	112	133	71%	142	72%	177	78%	84	79%	95	83%	84	79%	95	83%	84	79%
Slovenia	-	-	-	2	2	9	9	16	17	18	50	45%	84	79%	95	83%	3,157	88%	3,302	94%	3,157	88%	3,302	94%	3,157	88%
Spain	2	1	7	21	33	50	252	770	1,545	1,800	2,720	70%	3,157	88%	3,302	94%	751	98%	790	99%	751	98%	790	99%	751	98%
Sweden	-	1	6	5	5	8	38	153	272	634	707	91%	751	98%	790	99%	546	98%	562	98%	546	98%	562	98%	546	98%
Switzerland	-	-	12	14	16	28	60	139	315	494	521	98%	546	98%	562	98%	1,259	55%	2,184	90%	1,259	55%	2,184	90%	1,259	55%
Turkey	-	-	-	-	1	20	62	205	266	360	1,073	51%	1,259	55%	2,184	90%	3,944	100%	3,954	100%	3,944	100%	3,954	100%	3,944	100%
United Kingdom	7	10	33	159	284	303	667	1,397	2,724	3,544	3,860	100%	3,944	100%	3,954	100%	3,944	100%	3,954	100%	3,944	100%	3,954	100%	3,944	100%
Total Europe	30	55	205	527	897	1,535	4,684	10,335	18,291	25,084	31,097	84%	34,130	91%	36,373	96%										

Note: the figures in italics are estimates or not confirmed data

Source: MEDIA Salles

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vital. MEDIA Salles has been working towards this objective for 25 years, making a unique and specific contribution that it will continue to pursue. Lastly, we must not forget that the "heart" of our cinemas is what we put on the screen and therefore the films... and here, too, there is a lot to be done and it seems clear to me that we all bear a great deal of responsibility. Much is being done to support and provide incentives for domestic and European products in this Europe of ours and the motives for these policies are evident and appreciable. Here, too, MEDIA Salles has developed tools for understanding and interpreting the role and weight of productions by individual countries within the European Union. I believe that an organized picture of all this information can be extremely useful for reflecting on the policies adopted at both a national and a community level, for evaluating the impact on the various markets and providing the European authorities and individual countries with indications, through collaboration with the professional Associations.

Paolo Protti  
President of MEDIA Salles

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**Programming content**  
From the point of view of enhancing the diversity and quality of the cinema offer, digitization offers many possibilities for 'specialty programming', such as cinema on demand, new forms of event-cinema and integration of added content. However, those who believe that flexibility and variety of programming are the automatic results of installing a digital projector may find themselves disappointed. In fact digitization compels exhibitors to rethink programming. DigiTraining Plus 2016 will represent a platform for comparing views and sharing experiences on the opportunities offered by a more flexible way of programming. All this not only in view of targeting potential audiences more efficiently, but also of consolidating the role of the cinemas as centres of culture and social aggregation – as well as factors for developing tourism - in their own territories.

**Digital technologies for a new way of approaching audiences and catering for their specific needs**  
The use of the social media for marketing and for audience building will be one of the key points in the 2016 programme. Participants will learn how to improve their communication skills, thanks to the presentation of best practices. They will also become familiar with the most innovative systems for facilitating access to the cinema for those who have hearing or visual difficulties, with the aim of offering a cinema without barriers thanks to technological innovation.

The support offered by the **Sicilia Film Commission**, as part of the programme **Sensi Contemporanei**, at the 2016 edition of "DigiTraining Plus: what do you do with digital now you've got it?", to be held in Taormina, is an important opportunity for re-stating and emphasizing the attention and commitment of the **Regional Government of Sicily – Department for Tourism, Sport and Entertainment**, through its **Bureau of Cinema and Audiovisuals** in favour of the film exhibitors operating on its territory. This support can in no way be considered an isolated episode, since it comes in the context of a programme of investments worth 3,000,000 euros, launched in 2013 with the aim of promoting the digitization of cinemas in line with the demands of the market. It is only through the encouragement and spread of technologically advanced systems that satisfactory quality of vision (or, better, film experience) can be offered to audiences, thus contributing to the productivity of enterprises and, most importantly, to those business initiatives located in outlying or particularly disadvantaged areas, whose work so often makes a tangible contribution to recovering the places and environments they operate in.

### COURSE PROGRAMME (provisional)

Wednesday 29 June	Thursday 30 June	Friday 1 July	Saturday 2 July	Sunday 3 July
<p>Arrival of participants in Taormina</p> 	<p>Congress Centre</p> <p><i>Session open to professional players in audiovisuals and cinema schools from the host Region (Sicily)</i></p> <p>Digitization in Europe and worldwide: facts, figures, challenges, by <b>Elisabetta Brunella</b>, Secretary General of MEDIA Salles</p> <p>New prospects and new challenges in the next phase of digitization, by <b>Michael Karagosian</b>, MKPE - USA</p>	<p>Congress Centre</p> <p>Group work on the impact of digital technology in cinema management</p> <p>New developments in the delivery of digital content, by <b>Martin Schwertführer</b>, ARRI – D</p> <p>A special Q&amp;A session of the future of cinemas, by <b>David Hancock</b>, IHS – UK</p>	<p>Group transfer from the Hotel by rented bus to Catania</p> <p>Visits to cinemas in the commercial and in the art house sectors. Presentation of their strategies and approaches to programming and audience building.</p> <p>Visit to the historical centre of Catania, focusing on the shooting locations chosen by Visconti and Zeffirelli</p>	<p>Congress Centre</p> <p>Evaluation of the course and brainstorming on new training activities to meet the needs of European cinema exhibitors in future years</p> <p>End of course</p> <p>Departure from Taormina</p>
<p>Transfer to the Congress Centre.</p> <p>Registration and welcome coffee</p> <p>Welcome speeches from organizers and partners</p> <p>Participants introduce themselves</p> <p>The cinema market in Sicily and the role of the public institutions for the digitization of the cinema chain</p>	<p>Free time (including lunch)</p> <p>Cinemas as tools for the promotion of tourism and development of the territory. Sharing of best practices starting from the case of Wadowice, PL, by <b>Piotr Wyrobiec</b>, manager of the Cinema Centre in Wadowice</p> <p>How to use social media to enhance the cinema experience and to build new audiences, by <b>Petr Vitek</b>, Aero Kino – CZ</p>	<p>Free time (including lunch)</p> <p>Added content: round table on the opportunities offered to cinema programming</p> <p>Group work: comparing audience building initiatives in the various types of cinemas, introduced by <b>Peter Bosma</b>, researcher - NL</p>	<p>Free time (including lunch)</p> <p>Group transfer from Catania to Taormina</p> <p>Digital technology at the service of a better quality for cinema-going, by <b>Peter Buckingham</b>, Sampomedia - UK</p>	<p>Practical information</p> <p>A 5-day intensive course.</p> <p>Starts: 29 June 2016, in Taormina (2.30 pm).</p> <p>Ends: 3 July 2016, in Taormina (noon).</p> <p>Fee, including four nights' accommodation: 850 euro + VAT* (if due) for those who enrol by 10 June.</p> <p>Scholarships available on request.</p> <p>Language used on course: English.</p> <p>For further information and to download the application form, visit the MEDIA Salles website: <a href="http://www.mediasalles.it">www.mediasalles.it</a></p>
<p>Opening dinner and screening of films produced in Sicily</p>	<p>Free evening in Taormina including dinner</p>	<p>Free evening in Taormina including dinner</p>	<p>Participation at the Natri d'Argento ceremony – closing dinner</p>	

#### CINESTAR CATANIA



#### THE VOICE OF THE DIGITRAINING PLUS PARTICIPANTS

88.3% of participants stated that they were very or extremely satisfied with the "DigiTraining" courses organized by MEDIA Salles over the 2004 – 2015 period and considered them to be very closely or closely in accordance with the objectives, content and modes of procedure planned in 90.1% of cases. The participants considered the knowledge acquired to be extremely or very useful to their everyday work in over 66% of cases and extremely or very useful for making their daily work more efficient in more than 52% of cases.