

Introduction to the MEDIA Salles' Seminar at Cinema Expo International 2003
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Good morning to everybody, thanks for being with us at the beginning of the 2003 edition of Focus on Europe seminar.

This year we have chosen to combine a presentation of the more interesting aspects of cinema-going in Western Europe in 2002 with a focus on schemes adopted by European exhibitors to encourage more customer loyalty.

During the course of the seminar we'll see how these two topics are, in our opinion, linked to each other.

Let's start with a glance at the main indicators of the state of cinema-going: admissions in 2002.

In Western Europe the overall figure for the 16 countries that have provided data shows situation that seems basically stable: 931 million tickets sold compared to 924 million in 2001, which means a slight growth of 0.8 %.

However, if we look at the major five European markets (those that sell at least 100 million tickets: F, UK, D, E, I) we immediately get a completely different view: 3 markets show decreases, in some cases quite sharp. France has lost 0.7 %, Spain 4.2 %, after a steady growth since 1989, and Germany, with an even more severe decrease, has lost 7.9 %.

On the other hand Italy and especially UK have recorded positive results: +2.7 for Italy, +12.8 for UK.

If we look at the number of tickets lost or gained in these 5 markets in 2002 vs 2001, we realise that the gains in Italy and UK offset the losses in Germany, Spain, France.

Therefore we see apparent stability on one side, conflicting trends on the other.

The other territories of Western Europe show more positive and similar trends, with the exception, though, of Norway that has lost more than 400,000 spectators with a decrease of 3.5%.

Can we find an explanation for these conflicting trends?

One of the possible keys of interpretation emerges from the parallel reading of market shares of domestic films in 2001 and 2002 with percentage variations of admissions in the same period.

This table seems to show that those territories where the performance of domestic movies was in 2002 worse than in 2001, general admissions have decreased.

This is the case of France, Spain, Norway, and, even it is not in the table, Germany, where 2001 was characterised by a very high increase of admissions (+ 16.6%) and especially by the outstanding success of the domestic hit *Der Schuh des Manitu* that sold more than 10 million tickets (5.9% of the total admissions of Germany in 2001).

Nothing similar happened on the German scene on 2002 (it will probably happen again in 2003 thanks to the huge success of *Good Bye Lenin!*).

On the positive side, we can mention The Netherlands, where both 2001 and 2002 have seen an increase in admissions as well as an increase in the market share of domestic movies.

A similar phenomenon occurred in 2002 in the UK where 4 British productions or co-productions appear among the top 20 movies, totalling more than 23 million admissions which represents 13.4% of total admissions.

Before trying to draw a conclusion from this data, let me mention an interesting case that concerns a small market in Eastern Europe: Estonia, which in 2002 saw both a very good increase in admissions (+19.5%) and the striking success of the domestic movie *Names in marble* that sold almost 9% of the total tickets.

As you can remember, our seminar last year focused on the role of domestic movies for the increase of admissions. This year's seminar raises again a similar issue based on the fluctuation of admissions that seem to be linked to the presence or absence of domestic hits.

We have therefore asked Dr Wolff, President of the Research Foundation of the Dutch Cinema Federation and Vice-President of MEDIA Salles, but especially our key statistical adviser, to study this phenomenon more in depth and to see if there is a relation between the increase of total admissions and the success of domestic films. Or, said in another way, if successful domestic films attract extra spectators.

The text presented by Dr Wolff will be published in one of the next issues of MEDIA Salles "European Cinema Journal".