MEDIA SALLES
TRAINING

Course Report

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European Cinema Exhibition
A NEW APPROACH

24 – 28 September 2003
Rome, Italy

CINEMA D'EUROPA MEDIA SALLES

ASSOCIAZIONE NAZIONALE ESERCENTI CINEMA ANEC

EUROPEAN FILM COLLEGE

DB DANSKE BIOGRAFER

DGC

MEDIA

European Cinema Exhibition
A NEW APPROACH

Training Course for European Cinema Exhibitors

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"European audiovisual production has become an essential instrument of expression of our cultural and political values, as it is a vector of the expression of European citizenship and culture. Cinema exhibitors are like pathfinders who discover new talents. Without them, the public would not be able to make new discoveries and applaud European masterworks".

Viviane Reding
Member of the European Commission, Responsible for Education and Culture

"In our collective thought and imagination, the exhibitors are those in closest contact with the territory in the life cycle of films. It may therefore seem a contradiction to propose a course that tends towards the creation of an ideal type, or format of theatre management with a European culture behind it. Yet, in a scenario like the present, in which changes are taking place that will have important consequences for the whole production cycle and especially for exhibition, training is very important, particularly when it is tailored to Europe and allows for the exchange of experiences".

Gianni Profita
Director General for the Cinema,
Ministry for Cultural Heritage

EUROPEAN CINEMA EXHIBITION:

A NEW APPROACH

Training Course for
European Cinema Exhibitors

24 – 28 September 2003
Rome, Italy

Theatre management, vertical integration, the opportunities opened up by the latest technological innovations, marketing: all these and more were the subjects of discussion in Rome, during the second 2003 edition of "European Cinema Exhibition: A New Approach". The course, promoted by MEDIA Salles and organised in collaboration with ANEC - the Italian Cinema Exhibitors' Association, European Film College and DB - the Danish Cinema Exhibitors' Association, arose from an idea that is as simple as it is innovative: to offer an opportunity for exchange and training especially for those who manage European cinemas.

An opportunity also experienced in practice outside the classroom. There was time for a visit to two of the Town's cinemas: a multiplex in the centre of Rome and a cinema offering quality films only. And there was another appointment that couldn't be missed in Rome: an appointment with the film sets and the production studios of Cinecittà.

Amongst the topics of the course, opened by Gianni Profita, Director General for the Cinema at the Italian Ministry for Cultural Heritage, and Walter Vacchino, President of ANEC and Vice President of MEDIA Salles, much importance was given to the promotion of cinemas in the summer, a season which has always been critical for European cinemas, though with significant differences. Amongst the positive initiatives was the French "Fête du Cinéma" described by Eric Marti, from the U+Me agency, who organises the event on behalf of the French Exhibitors' Association. Experiments in digital screening described by Laura Fumagalli, Marketing Director of the Arcadia Cinema in Melzo, Italy, and V.J. Maury, Director General of Palace Cinemas in Hungary, showed both the need to define high standards of quality for the screening of films, and the potential of electronic cinema for presenting alternative audiovisual products.

The round table devoted to the role of exhibitors in promoting European films, and the many debates that the talks gave rise to amongst participants, offered opportunities for an open exchange of ideas on the "burning questions" of cinema exhibition.

The course is promoted by MEDIA Salles in collaboration with ANEC - the Italian Cinema Exhibitors' Association, DB - the Danish Cinema Exhibitors' Association and the European Film College

With the support of the MEDIA Plus Programme of the European Community
The Italian Government - Ministry for Cultural Heritage

CONTENT

WELCOME

At the beginning of the course, Walter Vacchino, President of ANEC and Vice President of MEDIA Salles, Gianni Profita, Director General for the Cinema at the Ministry of Cultural Heritage and Jens Rykaer, President of MEDIA Salles, welcomed the 35 participants, arriving from 13 European countries. Added to their welcome were also the greetings of Carmelo Rocca, Secretary General of the Italian Ministry of Cultural Heritage, who in a letter addressed to the President of ANEC, passed his best wishes on to the participants.

"The construction of Europe is born also from meetings such as these"

It is important to "discuss specific themes with one another, that can start here and also continue in other places". Already from these first words, Walter Vacchino's welcome took on a practical sense, almost programmatic: "It's necessary to reflect together on the development of the screen system from now to ten years from now and, to do so, we also have to question ourselves, as is doing ANEC through a research on the so-called "marginal or occasional spectator", to try and understand who they are and how to make them our clients". Another important theme is that of the market and role of distribution: "in order to develop, we need many cinemas and many prints available. But here in Italy, as in other European countries, they are not always enough to satisfy the demand". So there is a need for new agreements with the distribution. In fact, it plays a strong role, that if not adequately compensated by the exhibitors' influence, could be risky for the market. In conclusion, the welcome becomes an invitation: to the Professional Days that will be held at Genoa, the European capital of Culture, from June 28 to July 2, 2004.

"The importance of a wholly European training"

"Within the chain of cinema, the exhibitors are those that are closest to the territory. It could seem a contradiction to propose a course that tends to create an ideal type, a screen management format with a European culture behind it". Gianni Profita took the podium with an interesting provocation and immediately added: "But in a context such as this one where changes are happening that will have important consequences on the entire "food chain" and above all on exhibition, training is very important, particularly if it has a European background to it and allows the exchange of knowledge". Among the changes that require greater competence and knowledge, Profita underlined digital cinema: "I will join in the proposal of the President of MPA, Jack Valenti, expressed at Venice last September: that of working together to harmonize,

even in Europe, the technological standards, laws and every aspect relative to this new technology. It is important, in fact, that Europe participates actively in the research and development of these standards". Another theme of extreme importance also for exhibitors, is that of piracy. "It is a problem that cannot be solved only on level of the manufacturers, in terms of rights ownership, but also on the level of exhibitors, who are the first that risk to be damaged".
"We have supported MEDIA Salles since 1991 – reminded in conclusion Gianni Profita – and we truly appreciate their capacity of collecting and distributing their data on a European level and in promoting training initiatives such as this one: a well-structured course that was created purposefully to answer fully the questions that exhibitors all over Europe ask themselves".

"A drop in the ocean"

"For difficultly understandable reasons, the tradition of training has never been fully developed in our profession". This comment was of the President of MEDIA Salles, Jens Rykaer, who understands about training, because he is also the Principal of the European Film College of Ebeltoft, Denmark. "There are many themes that have yet to be understood and addressed, and yet this course that we are starting together today – and that is only a drop in the ocean – remains something unique". Rykaer said that he was "happy to see so many people who want to share information, exchange experiences and spend their energy to grow in competency". Associating to this satisfaction also the two Danish partners of the initiative, the European Film College and the Danish Exhibitors' Association, Danske Biografer, he thanked the Italian Government and the European Union's MEDIA Plus Programme for the support given to MEDIA Salles also in this occasion.

"Sharing on an international level"

"I hope that from the sharing of significant experiences on an international level, the participants can gain useful knowledge for their work". This is what the Secretary General of the Italian Ministry of Cultural Heritage, Carmelo Rocca, wrote to Walter Vacchino. And he asked the President of ANEC to "transmit to the promoters, the speakers and participants the appreciation for their commitment and gave assurance that the Ministry of Cultural Heritage gives constant attention to the activity of the cinemas, of which they recognize the important role on the cultural, social and economic plane". Carmelo Rocca was also happy that "MEDIA Salles – the MEDIA Programme project that the Italian Government has supported since its foundation in 1991 – had organized this initiative and that it had been held in Rome during the course of the Semester of the Italian Presidency of the European Union".

THE COURSE: OBJECTIVES AND CONTENT

The words of welcome were followed by a presentation of the course, introduced by the Secretary General of MEDIA Salles, Elisabetta Brunella, by Mette Schramm, President of the Danish Cinema Exhibitors' Association, and by the course moderator, Mads Egmont Christensen, owner of the production company Mecano Film.

A necessary exchange

"What training opportunities does a European exhibitor have?" **Elisabetta Brunella** welcomes the participants with a question. Different nationalities gathered in the same room, each coming from a different history of cinema-going. A huge wealth of experience, mostly unknown from one country to another. "This is why MEDIA Salles took up the Danish Association's proposal so enthusiastically. The result was the formula for this course, which is the first one that the MEDIA Programme devoted to cinema exhibitors and which was made possible thanks also to the Italian Government, which supports many of our initiatives". The objective is "to create occasions on which it is possible to exchange and compare ideas and devote time to the issues that European exhibitors are most concerned about". Taking in not only the differences between countries but also all the other sectors of the cinema industry, with which dialogue is even more urgently required. And this also contributed to the idea of a course devoted entirely to digital screening (a course that took place in Kuurne, Belgium, in April 2004, *ed.*). The next appointment will be in Budapest in September 2004.

Learning from experience

As well as being President of the Danish Cinema Exhibitors' Association, **Mette Schramm**, who has worked in the exhibition sector for 25 years, manages two cinemas: a 4-screen cinema in Copenhagen and another, smaller, town cinema with 150 seats. When, on her return from some exhibitors' meetings at Cinema Expo in Amsterdam, she decided that something more should

be done, this decision undoubtedly arose from personal experience. "Too few opportunities for debate and detailed discussion with colleagues: something had to be done". This is how, in collaboration with MEDIA Salles, the first three exhibitors' courses were created, all of which were held at the European Film College in Ebeltoft, Denmark. And now the Rome course: a new and important opportunity for training that is increasingly attentive to the European dimension.

Links in a chain

"There is an increasing necessity for an exhibitor to possess a range of different competences: from marketing to the knowledge of his audience, from technological innovations to theatre management. In this course, you will find all these topics and more". It is the task of Mads Egmont Christensen, as course moderator, to get down to the course programme itself. And he does so with extreme clarity, outlining the route the participants will follow in what promise to be four days of intense work.

"We have identified some topics of common interest, such as summer programming, in which the various areas I have mentioned will come together". But the course, Christensen assures everyone, will not limit itself to tackling problems only from within the exhibition sector: "Too often the various components of the cinema's production line behave as if they could all get on without the others, but this is not true. Because production, distribution and exhibition all depend on each other". Take it from the producer.

CINEMA EXHIBITION IN EUROPE: LOCAL AND INTERNATIONAL TENDENCIES

The number of films on the market and their average life on the screen, the launching and promotion initiatives, the problem of the seasonality of cinema-going, the different role of the single screen cinemas, multi-screen cinemas and multiplexes: there are many elements to evaluate in order to analyze up close the variegated reality of European cinema exhibition. But there is also more than one perspective from which to realize this evaluation: distributors and exhibitors, in fact, can have different views of these themes, that are at times complementary and at times in contrast. The comparison, that was debated at the opening of the course between Kristin Greiner, Marketing Director of Buena Vista International in Italy and Tony Williams, a Consultant in the exhibition sector, responded to a precise goal: that of creating a concrete occasion for debate. The many interventions of the exhibitors and the lively discussion that came from it are a sign of how truly necessary it was.

CINEMA EXHIBITION IN EUROPE

ON BEHALF OF THE DISTRIBUTORS

Kristin Greiner has worked for 5 years in Germany for Buena Vista International and for the last 5 years has been the Marketing Director in Italy. Moving from commentary to statistical data regarding the admissions in the major EU markets, the spectator profiles, the number of cinemas and screens, the growth tendencies of screens, and box office and ticket costs, she traced some interesting aspects relative to the BVI distribution and promotion strategies in Italy. The many questions of the exhibitors present and the lively discussion that came forth allowed a deeper understanding of the themes.
As BVI hasn't authorized the publication of the data presented on this occasion, we will merely give a synthesis of the second half of the intervention and the debate that grew from it.

Italy has one of the lowest annual frequency rates per capita in Europe, an older group of spectators in respect to other markets (the largest group in Italy is between 25 and 35 years-old) and lastly, there is an admission tendency that is largely influenced by the seasons: so what "counter – measures" can an international distributor adopt for a similar difficult situation?

Many films, little time

"As distributors – affirmed Greiner – we have products available for all 12 months of the year, but we must condense them within a period of 8 months, as when summer arrives, the admissions lessen and between July and August, some cinemas actually close". Furthermore, in those 8 months, they also have to arrange the distribution of low-budget films with a limited number of prints, whose appearance on the big screen is however, essential for promoting television sales. "So, many products are shown over 8 months rather than 12, as is possible in other countries".

There was an objection among those present: while it's true, in summertime, the Italian cities empty and there are many alternatives to an evening at the cinema, but the cinemas at many tourist localities see a far higher concentration of spectators than in other periods of the year, and yet they find themselves tremendously lacking films, both because few titles are available and because there few copies available. As if to say: if there were films, the public would go see them, even in the summertime.

"That's true - responded Greiner - but the trend of summer releases is also growing. For example, to demonstrate BVI's "good will", she mentioned *Pirates of the Caribbean: The Curse of the Black Pearl* and *Bruce Almighty* and she countered: "Not to be forgotten, there's also the opposite problem: in the Christmas season, we always have many more titles, but the exhibitors tend not to create sufficient space for them".

Which release and for which public

Italy follows the same European trend in this sense, and TV is without a doubt the most popular medium. Then, why not take more advantage of it to promote films? Because, explained Greiner, the age groups don't coincide. The cinema-going public, in fact, is younger in respect to the TV – watching public. Thus, making TV ad campaigns to reach the cinema core target

would prove far too costly. "It's within the cinemas, where we are certain that our target is always present, that we must create ad campaigns". For this reason Greiner says that BVI privileges investments in marketing and promotion campaigns within the cinemas themselves, constantly and directly contacting the exhibitors for the use and delivery of publicity and communication materials. Next to this is the interesting aspect of technological innovations, so the 25 to 35 year-olds, that is, the most assiduous spectators, are particularly attentive. What's important is to not bypass means such as Sms campaigns. These can be greatly successful, even with a section of spectators from 16 to 25 years of age: that is to say, 7 million people, that rarely visit cinemas.

"That's what we're doing – continued Greiner – for the launch of Finding Nemo: thanks to the agreement between Nokia and Mc Donald's, for the first time in Europe, we will enact an Sms cinema campaign. Also, 7 million glasses sold at Mc Donald's will have the telephone number where to send a cell phone message in order to receive a Nemo logo. All this is to attract a rather critical sector of the public"[1].

Someone mentioned that, though it's an interesting idea, Mc Donald's doesn't cover the entire national territory and there are few of their restaurants in the provinces: so why not come up with other initiatives, too, especially with exhibitors and schools, so that the publicity does not only come from the classic media and the multi-nationals, but also through less commercial channels?

"We're always looking – responded Greiner – for collaborations with cinemas regarding regional activities, as the exhibitors certainly know the local reality better than we do. For example, there has been the development of regional first releases where we give material to the exhibitor that creates the event in their cinema, collaborating with the local press or other media in the area".

A few exhibitors were still sceptical: "then why close the regional agencies?" observed a participant, noting that with the increase in operating costs and the rental percentages, in the provinces it's impossible to invest further sums in promotion and if the distributors concentrate too much on the large cities and on multiplexes, the public in the provinces will never grow.

Greiner reassured the audience: "in these last few years, BVI has already invested and will still invest in this sense. A positive sign in this direction is the creation of an Internet website where one can view and order materials". And also, in merit to the closure of the regional agencies, she observed that, actually BVI's strategy consists of concentrating all the commercial aspects within their headquarters and that they will most probably create three new divisions: North, Center and South, to maintain contact with the territory.

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[1] According to the Cinetel data, of the top ten most-viewed films in Italy between January 1 and December 3, 2003, *Finding Nemo,* that was released only on December 3, came in second place, only behind *The Lord of the Rings* (that however, was released in January of that year). The film totalled 2,921,962 admissions, with box office earnings of 17,186,802.87 euro.

CINEMA EXHIBITION IN EUROPE

ON BEHALF OF THE EXHIBITORS

Crisis and rebirth of England's cinemas

Tony Williams, English, has been in the business for over 30 years. His passion for the cinema is such that he "began by working for free as a theatre attendant, projectionist and general dogsbody in a small cinema in a town that is equally as small".

After having worked in several positions for Rank (when it was a major UK film company, vertically integrated and operating world-wide), with a break of a few years with the Canadian Cineplex Odeon (one of the first North American companies to open cinemas abroad), for 8 years he has been working as a specialist consultant for local institutions and authorities, independent exhibitors and other companies.

His knowledge of the sector allows him to give us a detailed account of the slow growth of the crisis in the English exhibition industry and its equally unexpected, yet just as flourishing, comeback, of which one of the most evident aspects is the building of new cinemas.

How have cinemas changed in the UK?

When they were first built, cinemas were considered as short-term investments or, as Williams puts it, "*cash cows*, which would yield money without reinvestment". They were not expected to survive for more than 30 years. In such a situation, certain technological investments, such as CinemaScope and 70 mm, simply helped to slow down the drop in admissions. Both large companies and independents therefore sold their cinemas or used them for other, more profitable activities and many cinemas were demolished or converted.

What caused the decline?

The advent of television and the decline in the physical condition of cinemas were major reasons and the introduction of commercial TV made the situation worse. Added to this there was a decrease in films made to entertain, which were far less numerous than those made both in America and in England during the golden years of Hollywood (the '40s and '50s).

The theatres themselves, originally "Palaces of Dreams", had often become cold, uncomfortable places. And added to all this, again according to Williams, were the opinions of some "prophets of doom", in particular the President of Rank, who predicted the end of the cinema, and the producer David Puttnam, who saw VHS as the future for films.

How did the revival start?

Fortunately the predictions did not come true. Some of the reasons for the revival, Williams stresses, were not directly started by the exhibition sector, such as the creation of the "British

Film Year" event, launched by cinema lovers who were not involved in either exhibition or distribution, and the contribution of the director Steven Spielberg, who marked a turning point for Hollywood by bringing back films made to entertain the general public and not only a restricted circle of spectators.

The release patterns of films also change, with longer runs in the theatres and greater flexibility. "All this – emphasises Williams – led to renewed faith in the industry and new (re)investments".

How has all this developed

Whilst exhibition did not perhaps play an essential role at the beginning, it enabled the revival to gather momentum. According to Williams, an essential factor was the "greater determination of the US majors, in particular Warner, Universal and Paramount, which invested in multiplexes". The idea was simple: if it had worked in the USA, it should work in England, too.

The opening of the first multiplex in the UK at Milton Keynes proved that it did. And despite the scepticism of the English exhibitors, this complex attracted huge numbers of young people and families to the cinema. Another factor was that, thanks to the lack of restrictions on building sites, most new multiplex chose sites outside the big cities, in order to offer car parks.
Moreover, the fact that "interest in films had really never vanished" contributed to "cinema-going regaining cultural significance, becoming an integrated part of popular culture and habits, with the idea that the cinema is the best place to see a film emerging more vigorously than ever". Thus, every town now aspires to having its own cinema, even small places that are not really suitable for multiplexes.

Where do we stand now?

"In most cases, the multiplexes – which, according to the usual UK definition, are new buildings with 5 or more screens – dominate the market: 2/3 of theatres come into this category". And stadium seats have replaced traditional seating.

Moreover, since the development of multiplexes prevalently outside large towns was threatening to be the end of the city centres, the government has tried to discourage the building of structures in the hinterland, favouring, instead, town centres. "In fact, although it becomes necessary to deal with parking and public transport, it is working out, because, as well as the cinema, people want bars, restaurants, other places to go, which are already to be found in the town centres". Many traditional cinemas, duly renovated and adapted to modern demands, have also had success. It has mostly been the independent exhibitors who have taken on these changes. Cinemas offering "non mainstream" programming – foreign films with subtitles, independent films, niche productions – have also been developing.

What are today's trends?

- A reduction in film choice accompanied by the constant growth of a "wider-ranging offer" of what is considered (or what the general public considers) to be "mainstream". The UK Film Council, however, financed by the National Lottery, has started to provide support for the promotion and distribution of films of limited appeal, whilst up until now funding in the UK had always been assigned to production only.

- The greater emphasis on the exhibiting theatres themselves, the attention to their "style" and design, and the vital need for constant renovation and re-investment in them, are important aspects of the revival.

- In addition there is the importance given, particularly by the independents, to the small markets, as well as the use of the Internet as a marketing tool. In the UK there is even a company which offers free web space to independent cinemas.

- At a European level, the ambition to have national circuits operating throughout the world is also tending to disappear, in favour of local partnerships and a knowledge of the local market.

What will be the trends for the future?

Forecasts for the future could be summed up as follows: several closures, few openings, a tendency to consolidate what already exists. Closures, according to Williams, will affect a fair number of multiplexes "built in the wrong places or in the wrong way". Few new openings on a territory that now seems "almost entirely covered". This is why Williams says he is amazed by the forecast growth in cinemas referred to by Kristin Greiner in her presentation. Consolidation will thus affect both the multiplex chains and the independents, of which "only the best and the most courageous will survive". In order to do so, they must not neglect the possibility of seeking and serving niche markets, whilst also insisting – and here they have better "credentials" than the multiplexes - on recognition of the cultural value of their cinemas, in order to obtain "capital subsidies", i.e. specific financing by local authorities. If this is done, and seeing that 25% of the UK market is already managed by independent exhibitors, the percentage will probably not drop.

Open questions in the UK and Europe:

- The tendency towards film burn out: distributors increasingly tend to concentrate their efforts on reaching the highest possible box office exclusively in the first weekend of release, occupying a vast number of screens (often even 4 or 5 in one multiplex with the same title), "following a line of thought that fails to promote the interests of either audiences or exhibitors". Pre-releases, which should be used to present the film and start "word of mouth" promotion, are, instead, used solely to swell box office on the opening weekend;

- Piracy: "a problem of the majors that must be tackled at a European level, too";

- Scarce collaboration between the different sectors of the cinema industry: "the battle between distributors and exhibitors (which has always existed) is becoming fiercer";

- The increase in legislation, in particular by the European Community, and the consequent increase in bureaucracy and, at times, in the costs of managing cinemas;

- The management of facilities for the disabled: "these have become a necessary current issue" thanks to European legislation, which the British cinema industry has led the world in adopting;

- Digital cinema: "the impression is that this is a manufacturer-driven change that none of the exhibitors asked for".

DIGITAL AND ELECTRONIC CINEMA: TWO MODELS IN COMPARISON

If digital screening seems to aim ever more towards defining high-quality standards and offers the consequent product proposal for a public that is very attentive to audio-visual quality, next to this, a different tendency towards the use of the new technology is making strides forwards: e-cinema. Its strong point isn't so much the quality, (that is comparable to high-definition TV: good but decidedly inferior to digital cinema) as its versatility and its capacity of giving visibility to contents that never before had appeared in cinemas, such as live shows and concerts, and of making small cinemas even more competitive, allowing them to use the same products that arrive in the large cinemas, at the same time.

They are different usages of the new technology, that depart from different evaluations of the public and aim at different goals. The session dedicated to them placed them in comparison, giving the podium to two exhibitors that have already realized interesting experiments, respectively in digital cinema and in e-cinema: Laura Fumagalli, Marketing Director of the Arcadia Cinema of Melzo (Milan), Italy and V.J. Maury, Managing Director of Palace Cinemas, the company that manages cinemas in Central Europe: Hungary, Czech Republic and Slovak Republic.

DIGITAL AND ELECTRONIC CINEMA: TWO MODELS IN COMPARISON

THE MEANING OF D-CINEMA AND E-CINEMA

It was Angelo D'Alessio's turn, to introduce the theme of digital cinema and act as the moderator, comparing two different experiences such as electronic cinema and digital cinema. He didn't have an easy task, as the reality in question is still young enough to be open to continuous experimentation and hybrids, regarding both the technological aspects, contents and business models. It's fundamental then, also to reply to the many doubts of the exhibitors present and first of all, clarify the terms of the question as much as possible, while keeping present that, as D'Alessio pointed out, "Digital cinema is a complex system that evolves day by day".

The two systems

In order to clarify the basic differences between D-cinema and E-cinema, it's necessary to identify some key elements of standards that refer to them i.e. aspect ratio and image structure of the digital master copy and the digital distribution copy. In the following table, we have generalized the proposal illustrated by Mr D'Alessio for greater clarity.

	D-Cinema: **only for feature films**	**E-Cinema:** **for alternative contents** also called "LSDI", *Large Screen Digital Imageries*
Aspect ratio	2:1 (Both for the Digital Source Master DSM and Digital Cinema Distribution Master DCDM)	16:9 (High-Definition television)
Image structure of the Digital Source Master DSM	4096 pixels per horizontal line and 2160 in vertical, (that is 4K)	1920 pixels per horizontal line and 1080 in vertical
Image structure of the Digital Cinema Distribution Master DCDM	2048 pixels per horizontal line and 1080 in vertical (that is 2K)	idem

Who defines the standards?

Worldwide, there are 2 organizations that are formally dedicated to the definition of standards for D-Cinema and E-Cinema:

- **SMPTE** (Society of Motion Picture and Television Engineers), for "Digital Cinema" with the WG DC28. SMPTE DC28, doesn't handle the acquisition, i.e. the acquisition will stay with 35mm film till the availability of a real 4K acquisition systems. DC28 starts with mastering and end with exhibition.
- **ITU** (International Telecommunication Union) for LSDI (alternative contents). It is a telecommunications agency reporting to the United Nations. They cover almost the entire range, from acquisition to the exhibition. For what regards digital cinema, the ITU can't standardize D-Cinema. Once SMPTE will complete standards, SMPTE will communicate them to the ITU. ITU has the right to include or not these standards in their Standards documents.

  For what regards digital cinema, the ITU can't standardize or examine feature films, as these standards are defined only by the SMTPE, that communicates to the ITU the definition of the standards that are of their competence.

There are also another two organizations that, however, cannot determine standards but give input to the standardization bodies. They are:

- DCI (Digital Cinema Initiatives), the consortium of the 7 Majors of Hollywood that is interested only to Digital Cinema;
- EDCF (European Digital Cinema Forum), the European consortium for Digital Cinema and LSDI.

The "Strategic triangle"

Digital cinema can be represented as a three-legged stool:

Technology, Capital, Creativity.

If one of the legs is missing, the stool falls over: all three are inter-related and support the entire system, but in turn, each one interacts with different subjects. At the centre of the triangle is the spectator-public (A), surrounded by a training system that is needed to prepare all players to the evolution to D-Cinema.

The Strategic Triangle
Elaborated by Angelo D'Alessio

Technology and the market

When we speak of digital and electronic cinema, there are two factors that cannot be disregarded: the quality and the interoperability. And that is why it is necessary to clarify both of these:

a. **Quality:** it is a very elusive theme, as on one hand, it is determined by the technology used, and as such, it is measurable; on the other hand, it depends on the creativity, hence, it is not measurable with instruments.
b. **Interoperability:** all apparatus from different suppliers and having same function inside a system must be interchangeable. Thus, the amount of interoperability is linked to the size of the market in which they are in.

a. In Europe, regarding the measurable aspect of the **quality**, the following categories can be recognized as stated by EDCF.
Level 1: Very large screen (for *first run feature films*), D-cinema 4K.
Level 2: Large screen (feature films), D-Cinema 2K.
Level 3: Large/medium screen (alternative contents), LSDI HDTV.
Level 4: Small screen (Films and LSDI), ODS (Other Digital Systems), LSDI HDTV

b. The **interoperability**, as already mentioned, is linked to the market size.

To make an example, all of the 160 digital theaters indicated in the MEDIA Salles Yearbook, (they screen feature films in less then 2K and as such, still cannot be considered true "digital cinemas", but testing sites for technologies and business models) and the nearly 600 theaters that screen alternative contents (LSDI), among themselves, use different systems. Hence the interoperability is missing, that should allow the exhibitors to have an array of choices to operate within and to decide the most adequate system for their own needs.

I.E., today September 2003, all projectors are interoperable. This is valid both for those based on Texas Instruments' DLP technology, and for those based on JVC's D-ILA technology. But the problem is that inside a "presentation system" (projector+server) there isn't interoperability amongst servers, that is, server from one supplier is not interoperable with a server from another supplier.

Consequently, the availability of standards is of basic importance and the interoperability that exhibitors should search for, is that between apparatus and also between systems of the same function. Exhibitors cannot change an entire system if one apparatus will be replaced by a new model or from another supplier

But what are the systems that involves exhibitors[1]?

1. *Presentation System:* projector + server
2. *Security System:* the security system (different from the presentation system but must work with it).
3. *Theatre Operation System:* system for controlling & monitoring of all functions and automations inside the theater.

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[1] In Italy a manual is being prepared by ANEC and D'Alessio, which will explain all the features, operational aspects and functions of Digital Cinema and LSDI, mainly for Italian exhibitors.

DIGITAL AND ELECTRONIC CINEMA: TWO MODELS IN COMPARISON

THE MOVIE THEATRE IN THE AGE OF THE DIGITAL REVOLUTION

Laura Fumagalli is the Marketing Manager of the Arcadia Cinema in Melzo (Milan): 5 screens, of which one equipped for digital projection.
Always attentive to new developments and innovation, the Fumagalli family, who, in addition to the Arcadia (opened in May 1997), are also managers of the cinema Porte Franche near Brescia (6 screens, launched in October 1998), took the decision, in 2001, to experiment with the possibilities of digital and electronic screening. According to Fumagalli herself the experiment has "not yet been thoroughly evaluated, but allows us to understand audience reactions and to experience and manage for ourselves this period of transition and change in the market, trying to grasp all the consequences".

The digital era: beyond the question of technology

The debate on digital screening, says Fumagalli, seems to focus, in this initial, experimental phase, on the question of technology. Only recently has it extended to the necessary dialogue between the two main interlocutors: the exhibitors and the distributors. At ShoWest 2003, the NATO (National Association of Theatre Owners) announced that negotiations had been initiated with the DCI, the majors' consortium (Digital Cinema Initiatives), as to possible business models for the large-scale spread of digital technology. This, points out Fumagalli, is where the real problem lies and it has not yet really been looked into. On the one hand, the greatest saving regards prints and the distribution of films, whilst the costs to the exhibitors to equip the theatres will rise around 6 or 7 times, compared to those for traditional analogue equipment: in fact, the cost per screen is more than 200,000 euros each, to install a projector, server and everything else necessary for digital screening.

On the other hand, those who sustain these costs will acquire decisional power as to the use of the equipment and contents. "So - concludes Fumagalli - in order for digital to spread wide-

ly, the problem of business models must first be solved, as these must benefit not only distribution but all the various phases of the cinema industry".

Digital experimentation at the Arcadia: the first results

Fumagalli elaborates an interesting initial evaluation of the experiments in the projection of digital film and of alternative content (which are summed up below, *ed.*) which, in addition to a series of positive and negative aspects, offers some reflections on future possibilities. These may be useful reflections for any theatre that is dealing with, or wishes to come to grips with the digital revolution.

The limits:

- The costs are too high;
- The co-existence of film and digital technology determines a period of transition which promises to be long and costly;
- Few films are already distributed in digital format, especially in Europe, where the costs of creating Digital Cinema Distribution Masters (DCDM) add to those incurred for subtitles or dubbing.

The positive aspects:

- The possibility of seeing what, in practice, are the changes that digital cinema will bring to the exhibition sector;
- The possibility of getting to know audience reactions. The Arcadia carried out an audience survey in the cinema and recorded a positive reaction (the fact that the images were more stable was appreciated, for example);
- The discovery of greater flexibility in using the complex, even outside peak periods (with, for example, the opportunity of hosting congresses or conferences), or when the cinema is closed (in the morning, for example).

In the future:

"We are persuaded – concludes Fumagalli – of the need to create a brand of "high end Digital Cinema", which guarantees very high quality standards. In fact, in a future, where the availability of digitally-formatted contents will multiply the contexts of usage, it is necessary to protect the spectator's certainty that the film screened is of the best quality possible". It is then necessary to avoid the diffusion of a sort of "cannibalism" that offers lower-quality cinema to that which will be standardized with Digital Cinema". This is why exhibitors must aim at very high standards, also making the effort, that is not secondary, to "communicate properly with audiences which, in the future, will come to recognise quality and the value of this type of screening and experimentation".

Doubts

Numerous questions bore witness to the perplexity that many feel in connection with this topic, starting with the question relating to the benefits for the spectator. "35mm prints – points out Fumagalli – are often not top quality; with digital formats the same high quality is offered at each screening".

Tony Williams' doubts are more subtle: "how will we be able to make a clear distinction, in the eyes of the spectator, between the splendid quality of some digital films in cinemas and other low-quality screenings that are still included somehow under the heading "digital"? This is a problem that has never presented itself before, as the 35mm film could only be seen at the cinema. It is a problem that, according to Laura Fumagalli, can only be solved through the creation of "a high-quality brand for Digital Cinema that regards not only the standards of the projection booth but the entire cinema, seen as a place for high-quality viewing able to bring added value that other contexts (such as home theatres system and community halls) are unable to offer".

"But how will it be possible -– retorts Williams – to manage all this during the long transition phase in which digital screening exists alongside 35mm?" In fact the risk of a "brand" for high-quality Digital Cinema is to make the spectator think that 35mm-screening is a "second choice", like lower quality electronic screening, to the detriment of all those theatres not yet equipped for digital film".

"Better communication" is Fumagalli's answer, always letting the spectator know what he is going to see, whether it is a digital film, alternative content or something else. "This is a way of creating and developing awareness in audiences".

DIGITAL SCREENING AT THE ARCADIA:

As from 2001, a projection booth has been equipped with a digital projector, using DLP Cinema™ technology by Texas Instruments, server and other equipment.

DLP Cinema™ screenings of feature film

- *Atlantis: The Lost Empire*, Buena Vista International, December 2001;
- *Star Wars Attack of the Clones*, 20th Century Fox, May 2002;
- *Pinocchio*, Medusa, October 2002;
- *Aliens Director's Cut*, 20th Century Fox, November 2003

Alternative content:

- *Stanley Kubrick, A Life in Picture* (before the 70mm screening of *2001: A Space Odyssey*), March 2001;
- Making of *Star Wars – Episode II,* May 2002;
- Live & Interactive Event with David Bowie, Live satellite screening, September 2003.

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DIGITAL AND ELECTRONIC CINEMA: TWO MODELS IN COMPARISON

E-CINEMA: THE ADDED-VALUE OF ALTERNATIVE CONTENTS

V.J. Maury, from the United States, is the CEO of Palace Cinemas. They have screens equipped with DLP Cinema™ technology, one at Slovansky Dum at Prague and the other at the MOM Park at Budapest, both equipped to receive satellite signals, though not one digital film has been screened in all of 2003, so Palace Cinemas' experience is quite interesting under many aspects. On one hand, in fact, it helps to reflect upon some of the elements necessary for the existence of a digital film market, such as the availability of titles and copies and the possibility of realizing copies with subtitles in the language of the country that they are screened in, without added costs for the exhibitor. On the other hand, though, it also demonstrates the opportunity represented by e-cinema for those that wish to experiment, alongside traditional programming, with new contents to attract a public that isn't accustomed to the large screens, even in periods or in hours that are traditionally unfavourable for cinema viewing.

"We have two perfectly equipped cinemas and not even a single digital film was screened in all of 2003", explains V.J. Maury, with the amused air of a speaker who knows he has amazed the audience: "We only received one digital copy of *Harry Potter*, but it arrived late, and at that, in English, so we couldn't even screen it". Also because subtitles can't be added to the digital copy, but must created directly on the original digital master. Texas Instruments' good will effort amounted to nothing, though they were willing to update the Palace Cinemas' projectors so that the subtitles could be created. However no digital films were projected at all. And why? "Because neither at Prague nor at Budapest were there any distributors willing to pay 2,000 euro for a digital copy, but they asked us to sustain the expense, instead". No films screened means "no box-office earnings, no pop-corn sales and no added–value of the digital equipment (even for who, like Palace Cinemas, had their projectors paid for by their sponsors), hence it's just a bad investment".

But something changed in 2003: to turn a bad investment into a good one, the chosen strategy was to point on "alternative contents": live concerts (Bon Jovi, David Bowie, etc.), special

screenings of different artists (concerts by Madonna, Eminem, Led Zeppelin, U2, etc.), special events (from the transmission of the HBO Oscar's night to business presentations). They're all successful contents, also, "with at times, having a different public than the usual cinema spectator and that has a quite different behaviour": as with the Bon Jovi concert, where standing up from the seats and dancing in the hallway were considered normal attitudes".

Which criteria are to be used to organize special events?

First of all, scarcely attended evenings between Monday and Wednesday are chosen, "to allow us to receive feedback from the public and eventually re-propose the event on evenings with greater spectator attendance". Initially, all the event tickets were free, now Palace Cinemas is using a different strategy for their digital screens: that of distributing half of the tickets for free, in order to promote the event, and selling the remaining 50%. There is a good quantity of promotional campaigns for the DVD previews through radio stations and record companies. During the event, at times, brief films, short films of young directors or shorts by small local digital productions (that might not be able to afford the expense of copy on film or promotion costs) are also screened.

What are the benefits?

The spectators of special events are new potential clients for the cinema and for traditional cinema shows. On the evenings of low attendance, the earnings from drinks and pop-corn sales are greater than those that could be obtained with a traditional screening. Special events create interest around the cinema that realizes them. The cinema staff, not having to repeat the same things night after night, happen to be more courteous and attentive. Concert tickets are offered at a very competitive price (about one third of the cost), and if compared to the normally very high cost for large live concerts, they create an added-value. They are also an added-value for the clients. And "Visual music is the future for the generations that have grown up on MTV".

The DVD screenings

The DVD screenings are aimed at a selected public and regard niche films (such as *Bowling for Columbine*, *Adaptation*, *Monsoon Wedding*...), that otherwise would never be screened through traditional film. The public is told that they are DVD screenings (and with a lower quality than that of traditional film) and the tickets are sold at a reduced price. "In some cases – added Maury – there were also critical comments about the quality, but normally there have always been successful experiences. For some films such as *Apocalypse Now Redux (Director's Cut)*, we realized that the screening in traditional film or in the digital version would have had greater impact upon the public".

Still open questions

There are many problematic aspects, according to Maury, such as: the strong resistance to change of an industry that has over 100 years of history, where the film is a vital source of earnings for distributors, film printing industries and also for the companies that manage the film shipping and delivery.

The resistance on behalf of the "technophiles", that impose "the film experience" to the detriment of the spectators' experience, direct excessive attention on the screening quality, "searching for ever higher standards: from 1.2K to 2.0K, to 4.0K and so on", and continuously mention the piracy issue, without addressing it, that is possibly much more common in DVD's than in cinema exhibition.

The themes of resistance encountered on behalf of the majors: for the large part of them, the exhibition sector is managed separately in respect to "home entertainment". So, for example, the majors already organize the digitalization of films for DVD's, but refuse to pay the cost for digital copies of the films for the cinemas, unloading the costs on the distributors and exhibitors.

The home entertainment sector has full interest in distributing the product through the largest number of channels possible (DVD, VHS, etc.) but the same isn't true for exhibition, anchored to more rigid criteria (number of prints, usage period, etc). "And why? Isn't it true that cinema screening is the first and most important channel so that a film be viewed and can also be sold through other channels?"

How can we solve these questions?

"Digital screening for cinemas should be considered a new business opportunity. Traditional film is a good means and has its own history, and digital is just as good and is new". New opportunities should be created with both types of technology that are complimentary to each other.

Hollywood should lose their control over how a film is screened in the cinema, to leave the choice to the market itself. "Spectators can recognize the quality of what they see and opt for what satisfies them the most".

How can we realize a perfect "DLP world"?

Just as for traditional films (where external companies manage the film printing), films ought to be received from Hollywood and digital copies should be realized, without waiting for the majors to do it. Instead there are too many people involved in the decision process that creates the digital master of a film and at times the directors or producers themselves, refuse to digitalize their own films, meanwhile they ought to merely manage the contents and creative aspects of the film;

Hence, there's a need of separating the copyrights for the digital copies from those of traditional film copies, so that those that have the possibility of screening in the digital version, can buy the rights directly from the majors;

One example to be followed could be the "Imax model", based on an international circuit, that excludes the distributors' influence and has direct contacts with the producers for the films to be distributed to all of the Imax cinemas;

Satellite transmission should not be abandoned. It is already widely used for television contents (that is almost entirely exempt from piracy).

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VERTICAL INTEGRATION AND EUROPEAN CINEMA

PROMOTION AND DISTRIBUTION

This analysis by Vittorio Testa, Professor at the University of Udine and consultant for the Italian Ministry for Cultural Heritage, centres mainly on comparison with the American cinema market.

Testa recognizes the American model as the one to compete with in an "action of promotion, positioning and distribution" that provides greater visibility for European products.

Critical aspects

What factors contribute to the scarce success of national films outside their country of origin?

"First of all – points out Testa – there's the fact that success outside the national market, not only for distribution companies, but sometimes for entire national markets, depends on only a few films or even on just one". To this is added the small size of many distribution companies and the fact that, generally, the films that have the greatest success in their national markets, just don't achieve success in other markets. Consequently, there's the fact that European films, outside their country of production, often represent a niche product. "That contributes to the fact that, niche distributors are often involved in their distribution, meanwhile it has been demonstrated that the largest distributors are able to valorize the potential of a film at its best".

Understanding the performance factors of non-national European films

The European cinema market shares in the large part of the member states can be directly compared to the national film shares. If, in 2003, the average market share of domestic films is at 19.4%[1], the non-domestic average European film share is at 6.3%. In the countries with a strong national cinema industry, the European cinema share is always lower to that of domestic cinema. For example, in France, where domestic cinema holds even more than a 34% market share, European cinema doesn't arrive at a share of more than 6%. In Italy and Spain a bet-

[1] Source: Osservatorio dello Spettacolo – MBAC and EAO

ter balance has been registered, with European cinema reaching levels equal to about 4/5 of national cinema.

With the exception of Ireland, where national cinema is at minimum values, in other countries with weaker national cinema, the European cinema offer achieves relevant positions, being a distribution means for common values required to satisfy a substantial part of the public.

As at 31st December 2003	Germany	Spain	France	Italy	Sweden	United Kingdom	Total/ Average (EU 15)
Box Office (€ million)	849.30	639.38	970.24	627.55	103.74	1,761.92	5,250.84
Admissions (€ million)	149.00	137.50	174.19	109.33	18.20	167.30	893.00
Number of films produced	80	84	183	108	27	63	775
Market share of domestic films	17.50%	15.80%	34.80%	22.00%	20.00%	11.90%	19.40%
Market share of European films	5.50%	6.80%	7.30%	8.04%	10.90%	4.10%	6.30%
Market share of US films	74.00%	72.00%	53.00%	64.47%	63.70%	73.50%	72.10%
Market share of other films	3.00%	5.40%	4.90%	5.49%	5.40%	10.50%	2.20%

The comparison with the USA

"In order to identify which elements can help us to explain, in the most plausible manner, a larger or smaller penetration of European cinema in the European Union countries, we need to compare it with the performance of the American cinema offer".

Over the last three decades, American cinema has seen, even if minimally, its position of strength diminished. One could interpret the American offer's weakness as a partial disharmony of the proposed cultural models in comparison with European ones, also due to the presence in Europe of a more adult public, between 18 and 35 years of age, than that of the United States. Those under the age of 18, differently than their American counterparts, have greater difficulties in reaching the multiplexes, located in peripheral zones and that require the use of an automobile. The cinema of other extra-European countries profited from this presumed weakness of American cinema, rather than European cinema.

The first element that limits the growth of the European offer is the increase in the economic barrier in order to gain access to the cultural cinema product. An evening at a multiplex, in fact, costs on the average more than in an urban cinema, because, besides films, these structures also offer many other paid services.

For this reason, the spectator's investment in cinema, that is, the ticket, the automobile and connected expenses, tend to favor a "safe" choice, such as American blockbusters, in respect to European films, considered to be alternative or experimental by the public, even if interesting.

The systematic application of the multiplex model, thus offers a visual model that tends to disconnect the film viewing from a single film, and rather links it to the activity of "going to the cinema", that is, cultural consumption in a generic sense. The spectator doesn't go to a cinema

where he has already chosen which film to see, but rather he chooses to "pass the evening" at the multiplex, knowing that between the 12 or 18 titles proposed, he will find one that interests him. In alternative, the spectator can always pass time in activities that are alternative to the cinema offer, also located in the multiplex.

An interesting fact is that the countries with larger frequency per capita of cinema access are also those where the large part of the screens are concentrated in multiplex structures. And nonetheless, greater efficiency of the cinemas doesn't correspond with a greater penetration of European films, but rather constitutes an indication of the market that is potentially reached by European cinema. "We also know – says Testa – that the multiplication of multiplex structures doesn't directly penalize national and European cinema, but does so to the generically weaker film offers".

The password: visibility

From these considerations, derives the indication that, in order for European cinema to reach higher market shares, it must first of all be more visible and promise sufficient public interest in order to reach more screens and more spaces within the multiplex structures.

"This goal – underlines Testa – cannot be achieved through protectionist reasoning, but through a reinforcement of the weak link of the chain, that is to say, of the logic and instruments of European film distribution and promotion, as a product of cultural consumption, by the sector operators". The logic of government financing and support must take care not to enclose European films and authors in "protected reserves", following the logic of the art of cinema being totally detached from the market. "That means first of all, placing European cinema in a "ghetto" and then provoking the extinction of the species. In order to re-establish a contact between the public and European cinema, one must pass through an activity of promotion, positioning and distribution that is competitive with the American offer".

The lack of a strong promotional and distributive commitment for European cinema is also at the base of the resistance encountered in the reception and application of the policy of "Television without borders", and in particular, regarding those elements that identify the measures aimed at promotion, distribution and production of European audiovisual works.

For this reason, elements that are capable of contributing to the acquisition of new market spaces for European cinema should be the conservation of their own cultural uniqueness (so they shouldn't overlap the search for successful films by imitating the American blockbuster model) and the access to instruments of promotion, distribution and sales that are just as efficacious as those adopted for the European distribution of American films.

"Nobody is interested in films that lack audience appeal. But the audience is something that, notwithstanding the undoubted quality of the European cinema offer, is built up through the promotion and distribution phases, even before the films are released in the cinemas or on television".

Vittorio Testa
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SUMMER PROGRAMMING IN EUROPE: SEVERAL EXPERIENCES

"Summer's here: too bad!" This is the general attitude of European exhibitors when the good-weather season comes along.

It's good weather-wise, but not for the cinemas, that find themselves battling on several different fronts: on one hand, there's the pleasant weather that distracts potential spectators from the cinemas, offering them things to do outdoors, that can't be done in the more or less long rest of the year, according to the various countries. But, according to several exhibitors, also the distributors seem to work against the appeal of summer cinema, as they aren't very inclined to release interesting titles in what is considered a low-earning period.

And yet, the situation varies much from country to country. In regard to the question, it is useful to take a look at the positive and negative peaks in ticket sales of the five most important European markets – France, Germany, United Kingdom, Spain, and Italy. For example, in December, which is the biggest cinema month of the year, in 2003, Italy registered 15% of their annual admissions, and in other countries, the percentage was around 11 to 12%. On the other hand the most critical month for Italy (July) sees only 3% and in the other territories (June) around 6%. That means that the ratio between the best and worst months in Italy is 5 to 1, meanwhile, in other countries, it is around 2 to 1.

In a varied, but still critical context, numerous initiatives were born over these years in order to contrast the drop in summer admissions.

A very articulate session was dedicated to this theme, with the explanation and analysis proposed by the exhibitors themselves, regarding initiatives realized in countries with differing characteristics – from France to Norway, from Denmark to Germany – some were successful, meanwhile others later revealed themselves to have had little influence. It was important to hear the testimony of the distributors: Richard Borg, President of UIP Italy, through the presentation of several aspects of Italian distribution in the summer period, in fact, forwarded a critical comparison regarding the possibility of improving the synergy between distributors and exhibitors, in order to render the summer period more profitable for the cinema sector and more interesting for spectators.

SUMMER PROGRAMMING IN EUROPE

FRANCE: "LA FÊTE DU CINÉMA"

Founded in 1985 to address the drop of cinema admissions, "La Fête du cinéma" has changed a bit over time, though its formula has never stopped attracting the French to the cinema.

Having special attention to young people and children, but also to families and small local realities, and with a goal that was described by the organizers as "the most ample and national as possible", La Fête du cinéma in June of each year, renews its three main goals, that of "increasing the presences, giving a positive and dynamic image of the cinemas and giving maximum visibility to the sponsors".

Its being a successful experience was also testified by the fact that more than one country has tried to copy it and not always with the same results. That's because many factors contribute to the good outcome of the initiative. Eric Marti, who has managed the event since 1993, has presented these factors, and analyzed them in a debate with the participants regarding its most relevant and strategic aspects.

History

The first La Fête du cinéma was created in 1985, on the trail of what was done with success by the Minister of Culture, Jack Lang, with the Music Festival ("La fête de la musique") and thanks to the desire, expressed from various areas of the cinema sector to do something similar. Its aim was to encourage people to return to cinema and the chosen method was a cinema free-day. The next step, the following year, was the choice of the weekday where the first ticket was full-price, meanwhile the next tickets would cost only 1 Franc. This formula made the event very popular, particularly among the young public: "on that day we managed to arrive at 1,8 million tickets sold throughout France, which is the highest level in terms of "welcoming conditions", to guarantee a good service and avoid lines and inefficiencies".

But the real change came in 1993, when it passed from 1 day to 3 days, starting from Sunday, with the first ticket at full-price and the next ones at 10 Francs (1.50 euro). The goal was to involve all of the public, even families. Then for the occasion "passports" were created, a sort of small booklet with the sponsor's names on them, that was given to the spectators that bought their first ticket on Sunday and where the following visits were registered. A contest was also associated with the passports and that helped improve the popularity of the event with the public.

Organizers and sponsors

The FNCF (National Exhibitors' Association), that initially flanked the Ministry of Culture (CNC), from 1994 was then the only organizing institution of the event. From that year on, in fact the CNC, that was the first promoter of the event, renounced its active participation. CPC is the organizing agency that manages the creation and delivery of all the materials, the creative coordination, manages the relationships with the partners (exhibitors, press, distributors...) and also those with actors and film directors.

There are 2 main sponsors, that change each year and usually they're major brands (Pepsi, M&M's, etc.). They enlist with an investment of about 285,000 euro for each sponsor, "it's an exclusive contract that's very advantageous and associates them with the most important French cinema event, that even involves the teen public, sponsors receive visibility through having their logo upon all the event media, for a period of three weeks and in all ad campaigns linked to it. Furthermore they are the only ones authorized to use the image of "La Fête du cinéma" in their packaging. The result is an extremely high level of visibility with a target that represents about 80% of the French public.

In the first editions, when the Ministry of Culture took the place of the sponsors, the cinemas that adhered to the initiative received state financing. Since the sponsors entered in 1994, state contributions were no longer being allocated. The financing arrived only through the sponsors and now exclusively regard the promotional activity, whose budget is of 1.2 million euro, also calculating the contributions in-kind, negotiated through the partnership agreements.

The reasons for success

Marti has no doubts in identifying "the key points to explain the excellent outcome of the initiative"; on one hand, there's the political will of organizing it, through the direct involvement of the Ministry of Culture and on the other hand, through the converging work of the entire industry sector. There aren't just exhibitors involved, but also distributors, producers, film directors and actors, technical crews, printers and advertising companies. This permits the organization of special screenings, promotional activities in the days preceding the event, and meetings with the film directors, technical crew and actors.

Even the printers are involved and they duplicate the copies at a special price. Two large cinema promotion companies furnish the advertising materials at an advantageous price and the sponsors cover the other costs during the arc of the event.

"It has to be clear – commented Marti – that an event of this kind is kept going by the will of all these sectors to collaborate among themselves and to work over this period for smaller earnings than usual".

For example, for the distributor, the ticket percentage doesn't change, even in the days following the opening day, when access costs less. And nonetheless, the risks that he shares with the exhibitor is paid back by the increase in ticket sales, with an average presence per spectator of 2 to 3 screenings over the arc of the 3 days.

The event is successful on various levels, for example, in the growth of similar initiatives on a local level (like at Marseille and Strasbourg) and in other periods of the year, and also in the public recognition of the ad campaigns: "by now, all we have to do is communicate that La Fête du cinéma will be held in a certain period and the event's goal is clear to everyone". But what really brought about the event's success are the increased presences in the summer period and the success of the films released during the La Fête du cinéma or in the period immediately preceding the event. "In the past - commented Marti - we realized that, thanks to La Fête du cinéma, many films were box–office hits for the entire summer season, with a larger and unexpected visibility ". For example, *Cool Runnings*, a low budget film that achieved ample visibility, and was one of the top ten-earning films of the year 1994. "So, launching the films several days before La Fête du cinéma is a necessary strategy, to give them greater visibility, as happened, for example, with *Amélie* (2001) and *Taxi* (1998). Another strategy is of promoting a film that will be released the week or month after La Fête du cinéma: up to 1,000 special screenings are organized in the week preceding La Fête du cinéma, above all, to promote films that will have a July or August release date.

And it truly seems a winning move, judging by the numbers: from 1998 to 2003, in fact, the box office, from early May to the end of August, has nearly doubled. And even though the summer promotion is flanked by other factors, such as the growth in the number of cinema screens, La Fête du cinéma has demonstrated its importance through the passage from 1998's earnings of 44 million euro to 86 million in 2003.

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SUMMER PROGRAMMING IN EUROPE

NORWAY: A SUCCESSFUL EXPERIMENT

FILM&KINO, the National Film and Cinema Association, was founded in Norway in 1917. Its main goal is the management and coordination of the services offered to the over 200 cinemas spread throughout the Country, besides travelling cinemas that operate above all where there aren't any fixed complexes (about 200 installations, that in 2002 registered 130,000 admissions). In 2000, it started a three-year trial period – that was prolonged to 2003 – for the realization of a summer campaign. The results: attendance rose by 35%. Beate Tangre, Marketing Manager for FILM&KINO, explains how that was possible, what goals were reached and what obstacles were encountered along the way.

FILM&KINO's activities

They have many activities besides managing cinemas. It's important to remember that Norway has always had municipal cinemas, run by the government or by local authorities. Only recently were the first changes registered, with the arrival of several private chains. But due to the scarce population in the Country, the cinema industry doesn't present high levels of earnings throughout all of the territory.

FILM&KINO also takes care of the publication of the oldest and main Norwegian cinema magazine, "Film & Cinema", founded in 1927. In 1970, the Film & Cinema Fund was created, that receives a percentage of the box-office (2.5%), part of which is used to finance various initiatives including, over the last years, the Summer Campaign, besides a 3.5% percentage from video distribution.

Furthermore, the consulting activities within the management and administration vary between:

- both financial, organizational and technical support to the cinema festivals (they backed 14 in 2002);
- financial support for quality films and for Norwegian films;
- support for children's films;
- lobbying (until a short time ago, FILM&KINO stipulated a collective rental contract with the distributors);
- organization of marketing campaigns on a national level. In 2003, for example, they realized an initiative to favour national film viewing: for whoever went to see 5 national films, the sixth was free, offered by FILM&KINO. They also created the "National Cinema Day", held in November, with half-price tickets and promotional initiatives throughout the Country. They also realized the Summer Campaign.

How the Summer Campaign was born

"In Norway, in all, there are 2 or 3 months of warm, mild temperature and during this period, it's difficult to attract people to the cinema". So, continued Tangre, for several years, the distributors didn't propose films in the summer season (May, June, July), that registered a drop of admissions and spread the perception that the summer period's cinema offer wasn't particularly rich and attractive. The smallest cinemas wound up proposing second releases or even suspended their activities.

For this reason, in 2000, FILM&KINO, in collaboration with the largest cinemas and with the Distributors' Association, started up a joint campaign in the May to July period. They financed the production of advertising material (posters, marketing material, trailers, banners, etc.) meanwhile the distributors collaborated by distributing more titles for the summer offer. Each participating cinema, furthermore, sponsored the event, with advertising material linked to the "Summer Campaign" and organized local events.

All this allowed, in a more marked manner, the perception of cinema as an "entertainment possibility", even during the summer, and attracts sponsors.

The 2003 campaign

What instruments were offered to the distributors and exhibitors for the last summer campaign that was realized, where FILM&KINO invested about 150,000 Euro?

Tangre explained, "The distributors were offered up to a 75% discount on the media that collaborated in the project (including newspapers, national magazine and even the most important national commercial radio station) besides a free marketing campaign". FILM&KINO, in fact, produces free posters and postcards during the campaign, in order to advertise the event. The advertising expenses, however, are still paid for by the distributors, that though, are in part financed through sponsors and in part through collaboration with the media partners. FILM&KINO also publishes a magazine that is distributed with the second largest national newspaper, reaching about 2 million people. And it is also sent, at a low price, to the cinemas, that can then distribute it to their spectators. Furthermore, posters and merchandising with the Summer Campaign's image are offered, as is the cost-free media attention, the possibility of tak-

ing part in the sponsor's activities and the usage of a national-level communication strategy, that is directly managed by FILM&KINO. Besides that, the cinemas also have the opportunity of participating in marketing activity with the national sponsors (such as sending information via Sms's thanks to a telephone service), the availability of a greater number of previews and the possibility of obtaining "Customer Fidelity Cards" – that tend to create faithful clients – at lower prices.

The results

All together, the effect is that of a general increase in attention, both towards the film and the cinemas. To demonstrate this, Tangre read out several significant percentages: the admissions increased by 35%; a good 27% of the cinemas increased their opening hours in the summer period – some of which, earlier closed in the summer; and the there were a good 40% of the cinemas that were involved in organizing activities on a local level during the summer. In general, all of them registered the arrival of new clients and the faithfulness of already acquired clients. And in the last three years, the period that passes between the release of a film in the United States and its release in Norway has been drastically reduced.

Still open problems

Not everything, however works perfectly. Starting from the number of prints available, that should be sufficient to satisfy the public's expectations. "FILM&KINO finances about 30 each summer, but that's not enough. For example, for *Matrix*, there were only 16 prints for 230 cinemas... decidedly too few".

There still remains the problem of the dates for the new releases: though the number had increased, the films, in particular, the most appealing ones, are centred mainly in the last weeks of the campaign (July and August). The result: "many small cinemas receive the copies only at the end of the campaign or actually after its conclusion".

Another difficulty is the relationship with the local distributors, controlled by major US companies: whose head offices do, in fact, "impose different conditions, where above all, on a small market like ours, the competition becomes quite fierce". Among these conditions, are the pre-established release and pre-screening dates (often very close to the US dates) and the strict control over the budgets of local distributors' by the head offices, which also observe the local marketing campaigns and the placing of trailers within promotional initiatives, at times forbidding the use of titles and brand-names within the event's promotional campaign.

Conclusions

Overall, there was a positive judgement, with an indication for the future:

"Most likely in the coming years, we will return towards the founding idea of this initiative: that of attracting the attention more towards the cinemas, than towards the single titles proposed during the summer period. There will be greater attention to the creation of good promotional material and a well-planned national press campaign".

And communication has definitely assumed an ever more significant role within the event: from strawberries to scuba diving, to the "Bond girls", in three years, the logo has changed three times. And also the slogans changed, too, passing from "Summer Cinema – Take a break" (2002) to "Powerful Adventures – Summer Cinema". "In 2002 and 2003, we dedicated greater attention to the creative part of the communicative message, entrusting it to an advertising agency, to give greater strength and image to the brand name".

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SUMMER PROGRAMMING IN EUROPE

DENMARK: THE UNDERLYING REASONS OF THE FAILURE

In Denmark, as in the other countries of Northern Europe, the climate plays an important role in cinema programming, as it's rather difficult to attract people to cinema when there are beautiful days of weather. So, when in 1997, the UIP's Managing Director proposed a Summer Campaign, based on the German example (see p. 44), Danske Biografer and the Danish Exhibitors' Association immediately adhered to the initiative. "Since then – commented Mette Schramm, President of Danske Biografer – 3 and a half campaigns have been organized (only one was planned and wholly realized, ed.*): in 1997 and then in 2000 and in 2002. But none of them worked". In an analysis that is at the same time critical and auto-critical, Schramm explained the underlying reasons.*

The exhibition situation in Denmark

"Danish cinemas, explained Schramm, can be subdivided into four categories: the first comprises cinemas in the larger cities, managed by the 3 main exhibition companies, that is Nordisk Film Biografer, CinemaxX and Sandrew Metronome. Then there are "the 15", as the cinemas in the medium sized cities are called. Following this are the cinemas of all the smaller cities, for the most part, family-run. All the other cinemas – about 150 – that make up the fourth category, are managed by volunteers or people that dedicate their free-time to the cinema".

Nordisk Film Biografer owns all the cinemas that operate in the big cities, besides the large part of cinemas in medium-to-small-sized cities, with an overall exhibition sector market share of over 40%.

The summer campaigns

So, the first one was held in 1997. The Danish UIP, that initially launched the idea, involved their own advertising agency, creating the communication campaign for free, that wasn't focused on particular dates, but rather on a period, between June and July. The UIP's Marketing Manager also involved colleagues from other distribution companies in order to create a small trailer, television ads and other similar initiatives. The main source of financing came from in-cinema sales of merchandising objects, that weren't particularly liked by the cinemas. The other distributors contributed both economically and through the involvement of their own advertising agencies. Even the FSI (Filmindustry Steering Committee), the institution that grouped together distributors and exhibitors, also financed the initiative. Regarding the communication aspect, the image chosen for the event was of spiders. The implied message aimed at the public was: "If you want to avoid spiders, then go to the cinema". But the campaign didn't work.

Afterwards, two years of silence followed, then in 2000, it was the moment to try again. It was a year that saw an important structural change in the market, with the closing of the FSI. But the exhibitors and distributors decided all together, however, to try it once again, this time around, "with little time and little money".

The campaign proposed by the advertising agency was liked by very few people: again it was a violent message, showing knives and similar things. And yet again, "horrible merchandising was sold in the cinemas". And there was also a contest, a sort of "scratch and win" with a negative outcome, as the prizes weren't distributed. If the communication didn't seem to have success, this aspect of the campaign didn't work out any better: "We tried to obtain some previews. The Danish UIP, for example, promised us *Mission Impossible*, but the opposition of the large American distributor made them backtrack". And also Schramm, as before her, the Norwegian Beate Tangre, raised the question of the relationship between the local affiliates and the large American distribution companies, that however seem to be hampered by their tied hands.

For 2001, a committee was created for both exhibitors and distributors. The doubt of having realized a bad communication campaign was such, that 3 different advertising agencies were contacted ("and all three of them were paid!", underlined Schramm) to create a national-level communication campaign with a budget of 3 million Danish Krones (around 400,000 euro) that was distributed throughout the media. But, notwithstanding this initiative, the 2001 campaign was never realized. "The main problem – commented Schramm – was the distributor's renunciation of selling the merchandising through the cinema, that had been considered up to that moment, an important source of financing. We searched for alternative sources, but with scarce results. Furthermore, the Country's main cinemas declined the offer".

In 2002, then, the exhibitors and distributors backtracked, choosing yet again an aggressive communication campaign ("yet again – commented Schramm – we aimed at horrifying things...") but with the idea of doing things on a small scale. The slogan was "If you miss anything during your summer vacations". They searched for minor sponsors, and restricted the target audience to teenagers. Two ads were realized and also an Sms competition. However the awards weren't given out this time either, because of the small number of contest participants.

The reasons for the failure

"It's impossible to bring the spectators to the cinema if there's a scarce offer, if there aren't many titles or if there is a lack of prints. What good is merchandising if there aren't any films?" If the lack of titles isn't the exhibitors' fault, Schramm had no lack of criticism for her own category: "There was a lack of participation on behalf of the cinemas, from the exhibitors. We lacked professionalism, also because we didn't even carry out a test to evaluate what the public's response would be, and following this, we didn't measure the campaign results, either". Another thing lacking was clarity: "we never agreed on a concept, we never seriously faced the question of who and in what measure, should cover the costs, also because we didn't have a managing committee. There were only 2 people working on the event, without offices and the necessary means". Too few films, then, and possibly too little trust in the possibility of a change among the exhibitors and the distributors. The fact is, that, judging by Schramm's words, summer and cinema, in Denmark, seem to be two opposing terms.

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SUMMER PROGRAMMING IN EUROPE

GERMANY: IN THE FOOTSTEPS OF "LA FÊTE DU CINÉMA"

"For many years, we've observed the positive French experience and proposed the creation of a similar marketing and communication campaign in Germany. And that's how Kinofest was founded in 2001". Speaking to the course participants is Andreas Kramer, Managing Director for HDF (the National Association of German Exhibitors), that counts on membership from around 50% of all German cinemas, mainly medium-sized ones (with a few exceptions, such as UCI). Together with Cineropa, the Association that groups together the multiplexes and the Verband der Filmverleiher, the Distributors' Association, HDF is one of the three partners of the "Zukunft Kino Marketing GmbH" (ZKM), (Future Cinema Marketing), founded in 1998 to provide group backing for profitable cinema campaigns. One of the first campaigns ran under the motto "Cinema is the greatest". Using the example of French cinema, hence, the basic idea of Kinofest was to increase cinema consumption in general. "And exactly this - underlined Kramer - was the first step in the wrong direction".

The beginnings: Kinofest 2001

In 2001, the campaign was held over a 2-day period, Sunday and Monday, as in France. A "Multipass" card was created, giving access to a certain number of films at a reduced price. It was a good idea in theory, but its practical usage proved to be too complicated: "there were two pages of instructions - commented Kramer, saying it all - just to explain the functioning to the exhibitors!"

The marketing and communications were handed over to an external agency. The event was widely publicized through the press. In particular, the "Süddeutsche Zeitung" dedicated a special supplement to it. Furthermore, each cinema received a free advertising pack with trailers, flyers, posters and gadgets.

Overall, the expense for the Kinofest promotion was of 670,000 German Marks (around 350,000 euro) and was entirely paid for by the Filmföderungsanstalt (FFA), the Film Promotion Institute.

Of the more than 4,700 German screens, only around 1,400 participated in the initiative. The organizers couldn't say that they were satisfied.

A change of course: Kinofest 2002

The distributors and exhibitors didn't give up. On the contrary, the following year, the campaign was extended to three days and was entrusted to the same external agency as in 2001. The cost of the promotion (always on behalf of the FFA): 424,000 euro. Something was learned from past errors: there were no longer any Multipasses, but all tickets cost 3 euro. This time, the free advertising pack was sent only to cinemas that adhered to the initiative.

The target was narrowed down to teenagers and to better promote the initiative, a collaboration was initiated with the music channel "Viva" and two young German actresses were chosen for testimonials. In this second edition, too, according to Kramer, there were some negative aspects, such as inadequate visibility that didn't correspond to the high costs and scarce awareness of the initiative among distributors and exhibitors."There also would have been a need for - added Kramer - greater support for the communication, above all on the local cinema level". So, was it a negative verdict? On the contrary, and finally the Managing Director of HDF passed on to the good news: from the 1,400 cinemas that adhered to Kinofest 2002, there had now been an increase in participation to more than 3,000.

The reaction of the associations and the cinemas was very positive, so much so, that the continuation of the initiative in 2003 was given for fact. Not only, but the budget grew quite notably: 730,000 euro, always provided by the FFA.

Kinofest 2003: "Three days, three euro"

2,772 screens and 659 complexes adhered to the initiative: these were the first of a series of data that is useful to understand the last Kinofest edition. And in fact, it is also the year in which the first statistical survey of the event was carried out. The results that emerged, state that 82% of the participating screens registered an increase in admissions over these days, both in respect to the preceding weekend (+29.2%) and of the one following Kinofest (+34%).

Another interesting statistic, 55% of the participating cinemas had at least 7 screens and this is exactly the portion of cinemas that registered the largest increase in admissions. Furthermore, the medium-to-large sized cities (between 100,000 and 500,000 inhabitants) were those that took the most advantage of Kinofest: here the cinemas saw their admissions rise by 40% in respect to the preceding weekend. The screens in small cities or villages saw the percentage rise by a mere 13%.

However, the overall judgement from different areas was a positive one. And yet the Kinofest 2004 project has been cancelled. There are different reasons, including the general crisis of the cinema market. But Kramer's reflection goes even farther: "Our experience demonstrates that it is impossible to transfer a concept from one country to another without considering the eventual differences. And that is true, above all, when, as in our case, there is a comparison with the

reality of a strong cinema tradition such as in France". Added to his reflection was a proposal that provoked a discussion, dividing the attendees in favorable and contrary: "A solution should be found on a European level, so that all energies can converge into a common activity". In other words, a "European Film Festival". Who knows, maybe some country will pick up on the idea.

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SUMMER PROGRAMMING IN EUROPE

ITALY: SUMMER FILMS, AN "UNRESTRAINABLE PROCESS"

When indicating the causes of the scarce appeal of cinema in the summer, the exhibitors rarely forget to criticize the distributors: "spectators would come see films - in synthesis, this is one of the most common objections - if only we had films to propose". But what are the distributors' opinions regarding the question? Richard Borg, who spoke in the course about this theme, has a very interesting point of view to share: he is both the President of UIP Italy and the President of UNIDIM (National Association of the Multimedia Distribution Industrial Enterprises).

His analysis of Italian distribution during the summer period is also a reflection upon the possible synergies between exhibition and distribution in the European market, in order to find the formulas to make the cinema market fully functional, even during a period of the year that is traditionally unfavourable to the big screens.

"If we look back a few years, we can see that in 1998, Italy counted about 2,500 screens and had a box-office turnover from May to August of 44 million euro. Today, at the end of 2003, the total box office turnover was of 86 million euro and the total number of screens was about 3,200. There has obviously been an evolution and a net one, at that". The beginning of Richard Borg's report seems to be rather provocative. As if to say, "let's definitely discuss it, but starting from the assumption that things are going well". At least, this is true in comparison to a few years ago. And for what reasons? "First of all – observed Borg – the Italians' approach to summertime has changed quite a bit. They no longer take their long holidays in the hottest months ("holidays that also the exhibitors and distributors conceded themselves, so there was a consistent number of cinema screens that closed down with the arrival of the heat"), but due also to a worsening of the general economic situation, far shorter holidays, possibly split up in various periods of the year. "At the end of the 1990's, furthermore – continued Borg – following changes

in legislation, the first serious initiatives for the construction of multi-screen cinemas began to be seen". The public started changing, and so did the exhibition. The distribution certainly couldn't just stand around and stare: "That period saw the beginning of market research to map the existing structures that was useful to the goal of utilizing the cinema product even during the summer period". But the times weren't yet mature for it, and the decision was made to wait. Though still continuing to work in order to prepare the ground, UIP in particular, wanted to understand what screens would be available for summer programming, what type of campaign could be organized and not a secondary factor, what product could be proposed. "It was important to identify a film that would have an enormous impact upon the media and upon the largest portion possible of the presumed audience". So, on 7 July 2000, many Italian screens saw the release of *Mission: Impossible II*. "The results – commented Borg with satisfaction – went far beyond the market expectations". And they certainly cannot be ignored: "From that moment on, the question arose of whether to analyze the reasons of such a great success and study the actions to take so that it doesn't remain isolated to a single film or company, but that could be extended to the entire market". Departing from the analysis of the reasons, it was better understood how the holiday trends had changed for Italians and how, for those that remained in the city, there was still a lack of real entertainment occasions: there were few summer events, and the television proposals were almost non-existent or oriented towards films from the preceding cinema year. In the meantime, however, "the cinemas had been radically renewed with comfortable, single-screen cinemas equipped with advanced technology and air-conditioning, and the new multiplexes that were drawing increasing audiences". Furthermore, the echo of the successes obtained overseas by the big blockbusters, "arrived ever more insistently through the media, encouraging people to go see the product as soon as possible".

Then, the next step was passing forwards to study the possible actions to be taken, departing from a deep analysis of the "screening period" of a film, that is, the period in which a film remained on the screens in the summer and autumn periods, and of the competition that some titles would have encountered in the later seasons. Evidence of two different seasons began to emerge, each having well-defined characteristics: the summer season, with a greater availability of screens and the possibility of a programming period lasting no less than 6 or 7 weeks and the fall season, with a more limited number of available screens at the release of the same film, but having greater box-office turnover and with a strong unknown factor regarding the "screening period", seeing the fierce competition.

"The attentive evaluation of the risks and benefits of the two seasons is the basis of the choice of titles to release on the summer market". And this is the reply to the famous basic objection held by the exhibitors: it's not true that there aren't any films in the summertime. It's true, though, that not all of the films go over well in the summer and most of all, that some films seem to have a concrete occasion of visibility only during the summer period.

These are, according to Borg "the products of widespread and immediate mass consumption with reduced possibilities for the screening period during the normal cinema season, that are strongly helped by their release in a period of scarce competition". But is it only films that benefit from the possibility of a summer release? Absolutely not, sustains Borg. Exhibition itself benefits from the advantages of better product distribution throughout the year, and "managing to plan their activities over more than 7 or 8 months, they will receive many advantages from their investments". Borg continued, that the most content subjects will also be "the distributors of "minor" products, that will be able to take advantage of the gravity-effect generated by the blockbusters, to be released in the same period on a market where public's desire to see more cinema is still strong". And again, appeasing both the exhibitors and the distribu-

tion, is the possibility of an "early release of the product, to the detriment of piracy, that is ever more active and harmful for our activity".

Borg doesn't omit the negative aspects, though, even if he says that he trusts in the fact that "they could disappear or be greatly reduced in the future". The UIP Italia President blames those aspects essentially on a problem of a certain mentality that he ascribes to "a part of the distribution that is still linked to an outdated style of thought, that raises opposition to any innovation regarding the market's evolution". It would be due most of all to "a certain national production and distribution" that doesn't seem able to grasp the opportunity of releasing their own products in periods when there is less competition. There's no lack of criticism for the exhibitors, too, at least for that part that "systematically opposes summer releases, based on the ridiculous assumption that the same film programmed in a more frequented cinema season would bring them a far greater turnover".

So, more flexibility in programming, hence, more titles and necessarily, more prints. Regarding this last point, Borg's criticism is also extended to the institutions: "There has been discussion regarding a contribution to marketing, there was discussion about a contribution for exhibition in order to acquire prints, removal of taxes was discussed, always regarding exhibition and there was the hypothesis of an extraction from the advertising ceiling on commercial television channels for the summer product. Unfortunately, we have seen that up to today, the institutions, irregardless of what government they are under, have always turned a deaf ear". But it's necessary to go forwards, even at the cost of "counting only on the strength of the cinema industry". With the conviction that, the question of summer releases is "an unrestrainable process, that will see as losers, only those subjects that refuse to take it into consideration".

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SUMMER PROGRAMMING IN EUROPE

WITHIN AND BEYOND BELGIUM: KINEPOLIS' EUROPEAN EXPERIENCE

The experiences gathered so far, regarding summer programming, whether of great or scarce success, all more or less explicitly, bring about reflection upon the link between the planning of initiatives and the territory. To use the words of Andreas Kramer, "it is impossible to transfer a concept from one country to another, without considering the possible differences". Hence, each initiative must depart from the analysis of a large number of factors: from the climate to the public, from the sum total of screens to alternative entertainment structures other than cinema. But how do the large exhibition chains, with screens in more than one country, face the question? Speaking on it to those present was Patrick Terryn, Program Manager for France and Poland at Kinepolis, a chain of multiplexes, founded in Belgium and that has spread internationally. Today they also own complexes in France, Spain and Poland.

A European Chain

"I know that many of you consider multiplexes to be monsters..." Began Patrick Terryn and possibly wishing to offer the chance to "many" of at least partially changing their ideas, he added that Kinepolis is a "wholly European" group. The Belgian chain's first megaplex, in fact, opened its 20 screens at Brussels in 1989 ("In Belgium, we have 3 megaplexes and 4 multiplexes, and thanks to the scarce competition from American companies, we now cover 51% of the market"). Then, in 1996, a 14-screen complex was opened in France – that on the first year registered a good 1,200,000 spectators – and also a 23-screen complex. "The latter has around 7,500 seats and is the largest complex in the Country". There then followed another 3 multiplexes and a single-screen art-house cinema in Paris. And Kinepolis has even been floated on the stock market. Their first complex opened in Spain dates back to 1999: 25 screens and with an annual turnover of around 3,500,000 spectators. Kinepolis' investment in Switzerland wasn't a great success, though, "because we tried to enter in participation with CinemaxX, with a joint-owned

complex, instead of with wholly Kinepolis-owned multiplex". Instead, they had a positive entry within a very different market from the preceding ones, in Poland, where the Group now manages one 20-screen megaplex: "it was a very stimulating occasion for me – commented Terryn – for the possibility of comparison with a different market".

Kinepolis' mission

There are many screens and different territories, but there are also several main goals in common. Kinepolis' basic mission is based on this and Terryn synthesized it in this manner: multifunctionality ("the future is in offering entertainment and not just films"), international orientation and aperture to the public-at-large, with special attention towards families. These are the main elements that, even if oriented differently according to the context, combine to make Kinepolis a homogenous reality. The same is valid for those that Terryn calls "the four key words", that is, "trendy, innovative, magic, emotion". These are words that seem to evoke, more than program, a feeling, or an idea of cinema. Several "fixed points" render this a concrete idea. Such as fixed screen hours, independently from the length of the film, comfort of the cinema itself, large programming and easy access, as in fact, the large part of the multiplexes allow easy automobile access. And that the structures are also owned by Kinepolis itself, through the acquisition of land and building permits, these are all significant factors to help understand this company's policy. "The drawback – observes Terryn – is that we cannot, like our competitors, quickly penetrate a new market. And yet, in the long-term, our strategy is quite a positive one".

The differences

Hence, if the basic strategy is the same, its realization must necessarily adapt itself to the differences between the countries. For example, the French and Polish cinema markets have very little in common (see the table on page 65). "In the traditional markets, where we are already known, we look for solutions, so that the public continues to choose us over other cinemas. In new, young markets, instead, we have to be more aggressive and competitive, to give the best image of ourselves and try to obtain an ever greater share of the public".

And also regarding the choice of films, we have to variegate them from country to country, so as to "find the right film for the right client", also because the tastes are not the same everywhere. "Woody Allen - used as an example by Terryn - doesn't work successfully in our French multiplexes, meanwhile in Poland, his films earned more than *Hulk* and *Charlie's Angels".* The public changes and so do the films. It seems an easy thing, but it isn't so simple. The fault, for Terryn, lies for the most part with the distributors, who impose only a small number of titles of their choosing. And this is because they are attentive almost exclusively to the short-term ("the screening period is estimated at only 3 weeks"), and they are aimed mainly at blockbusters and would, at times, seem to have little interest for the cinemas, seen only as a place of passage, for the film to arrive on home-video or on the television market.

The summer spectator

Young, urban dweller and with little money: according to Terryn, this is the profile of the typical summer spectator. And how can their attention be captured even more so? First of all, one

must avoid considering the summer period as a "dead period", even though it certainly doesn't have great business prospects, "the possible short-term and long-term effects don't regard more than a 10% increase in admissions". And just for this reason, it's necessary to have the courage to make long-term investments, and whose first goal "shouldn't be as much earning, as encouraging people to go to the cinema", even through other means than cinema. Such as a football game, that was offered in Poland for only 25 cents of a euro. Such as the Olympics, even for free. Because making oneself known and appreciated can be just as important, or even more important than making profits right away. And this seems to work everywhere, even in countries that are so different between each other.

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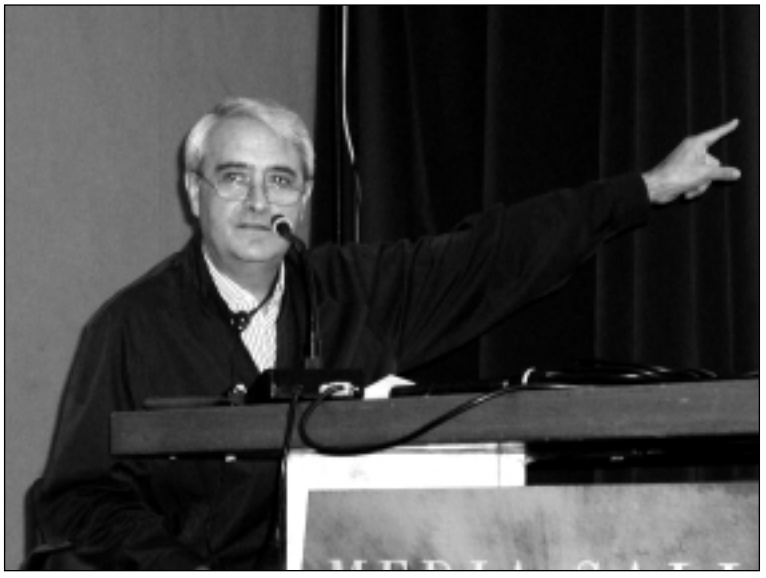
THE EUROPEAN CINEMA MARKET: THE SITUATION IN SPAIN

Considerable investments in the renovation and building of the Country's cinemas, a rapid increase in the numbers of multiplexes and megaplexes in suburbs. Yet also the closure of many single-screen cinemas, the difficulties of small cinemas far from towns and, finally, a sudden halt in the growth of admissions, which had lasted for years: the recent situation in Spain maintains an uneasy balance, relying on elements that seem to be leading in different directions. The analysis by FEECE President Primitivo Rodriguez Gordillo helps to gain an understanding of it. It is accompanied by the experiences recounted by a Spanish exhibitor in rural Spain.

Although this second contribution took place at a round table devoted to a comparison of experiences in different countries – which is summed up in the following section – it seemed fitting that it should find its place in this Course Report alongside the analysis of the Spanish market offered by Rodriguez. The story of the problematic situation faced by a small rural cinema and the reflections it inspires, do, in fact, add a further, interesting aspect to the picture of Spanish exhibition described by the President of the FEECE.

THE EUROPEAN CINEMA MARKET: THE SITUATION IN SPAIN

A DROP IN ADMISSIONS: TOO MANY SCREENS?



Double the number of cinemas in just 10 years, constant growth in admissions. If, in 2001, anyone had wanted to demonstrate the health of the Spanish exhibition market, a few, encouraging figures would have sufficed: 1,806 cinemas and almost 85 million spectators in '91; 3,770 cinemas and just over 147 million admissions ten years later. Yet the 2002 and 2003 crises, which cost the industry 10 million admissions, changed things radically. FEECE, the Spanish Exhibitors' Association, decided to make an in-depth investigation into the causes of the crisis, producing a research study on cinemas in Spain's main towns. Primitivo Rodriguez Gordillo, who is President of FEECE, explains the most important aspects of it and gives a detailed account of the situation of cinemas in the Country's capital.

Because of lack of space, we are unable to report the account of cinemas in Madrid. FEECE has nonetheless authorised us to pass on the data to anyone who requests it.

Single-screen cinemas: the fight for survival

They represent over 60% of total screens and account for 83% of admissions: they are cinemas with 6 or more theatres, in particular multiplexes and megaplexes. The remaining 40% of screens are left, instead, with a mere 17% of admissions. A figure that Rodriguez considers alarming: it is the trend towards concentration emerging from these figures that he holds partly responsible for the present situation in Spain. Whilst the building of large complexes has, on the one hand, exhausted the energies of the small cinemas ("how can you obtain a print of a new film, if two 'giants' have ordered the same title only a few kilometres away?"), on the other it has swollen the number of cinemas in the country to such an extent, that the ratio between screens and admissions has become less efficient, according to Rodriguez.

Why the great demand for multiplexes

What is it that has led to the constant increase in investments in large multi-screen cinemas over the past 10 years? "First of all – explains Rodriguez – the natural and, in itself positive, increase in exhibiting companies, both Spanish (such as Cine Box, Lauren Films, Cine Sur), and international (including Cinesa, Warner, UGC, Kinepolis and Ster Cinemas)". This growth was able to reply on a strong ally: the desire of municipal authorities to create easily accessible and well-equipped facilities in which there was an offer of cinema in "grand style": a high number of theatres, therefore, if possible integrated with other entertainment services. "A desire that is comprehensible – observes Rodriguez – but at the same time harmful". The growth of the suburbs, with the consequent exit from the city centres, is already worrying from several points of view. The uncontrolled growth of large shopping and entertainment centres in outlying areas risks making things worse.

A profitable form of investment

As well as these two reasons – the increase in exhibiting companies and the choices of municipal authorities – and able to exploit both of them, there is a third, overwhelmingly economic reason: the large profits represented by investments in shopping malls. "The proof of the great advantages offered by this sort of investment – explains Rodriguez – is the increase, from one year to the next, of the capital invested in them: 774 million euro in 2002, one billion euro in 2003". The income from hypermarkets, shopping malls, theme parks and entertainment centres, varies between 7% and 8.5%: "an extremely high percentage, especially when compared with the percentage related to the cost of money, which is only 2%". There have thus been several groups of banks and companies that have chosen to invest in these projects, including the French chain Carrefour. The times in which people only went in to do their shopping seem to be over; now only 22% of all those who cross the threshold make for the shops. A good 65%, instead, is interested in seeing a film.

The boomerang effect

A new offer, then, which is increasingly aggressive and attentive to the market, even in the choice of films. Because, if one of the reasons for the crisis in the cinema – argues Rodriguez – is the average growth in the adult population's purchasing power, with the consequent possibility of choosing from the widest possible range of entertainment, those who are most faithful to the big screen are those who are not so rich: young people. This is what leads to the preference of the large distributors' and exhibitors' groups for blockbusters, better suited to this target, and an increasingly more subdued interest in quality films. "However – insists the President of the FEECE – the growing lack of diversification both in terms of the offer of films and in terms of structures, with an overwhelming number of multi-screen cinemas, to the detriment of traditional theatres, threatens to bring about a boomerang effect which could be very harmful in the long run". Spain already seems to have entered this phase. "Now new regulations and agreements are necessary, like the one we have proposed drawing up between the Exhibitors' Federation and the Municipal Authorities".

Because it still seems possible to reverse the trend, but only if there is the willingness to make changes. Perhaps doing without a new shopping centre.

Primitivo Rodriguez,
President of FEECE, Spain
e-mail: cinefeece@terra.es

THE EUROPEAN CINEMA MARKET: THE SITUATION IN SPAIN

OUTSIDE THE TOWNS: EUROPEAN FILMS IN RURAL AREAS

A market share for domestic and European films of respectively 13.7% and 12.8%, in 2002, as against the 66% gained by American productions. And if these percentages represent average admissions throughout the Country, the situation in small places and villages outside the large towns is still less favourable for European products.

An analysis of this situation and of the role of exhibitors, distributors and institutions could play in improving it, is the issue tackled by Monserrat Guiu March. In the small town she lives in – a total of 12,000 inhabitants, 220 km from Barcelona and 20 from Andorra – she manages two single-screen cinemas with 274 and 99 seats. And, in order to promote European films, of which she is a strong supporter, she has already organised several initiatives, some of them with excellent results.

A difficult situation

"The screening of European films in rural areas is not at all profitable: this is why exhibitors have no interest in promoting them". Put in these terms, the situation does not seem exactly promising. And indeed, it is not, partly because, as Guiu March hastens to explain, "As rural cinemas only account for 10% of the final takings of a film, distributors consider them of secondary importance". Little interest on the part of the distributors, who keep the price of film rental high, and little, if any, support from the Government. And added to all this there is the proliferation of multiplex cinemas.

The result? "It is hard to find a town with fewer than 10,000 inhabitants that screens European films".

Some concrete action

However, Guiu March's commitment to bringing European films into the cinemas has already led her to organise several initiatives which have met with public interest and at times – and this is no mean achievement – with the interest of local institutions, which have contributed towards running them. For instance, the series of quality films – mainly European – with talks in the cinema by critics, directors or actors present. The result of this was positive, "even though attracting attention to this type of film is always difficult". But the initiative that Guiu March describes with greatest enthusiasm is the programme held for schools in the province in 2003 – as many as 20 schools took part – with European films of educational interest and critical support for the teachers. "Bringing the cinema to schools is a good starting point".

But the good intentions of the exhibitors are not enough. "The distributors should invest in a larger number of prints and run more energetic and attractive promotional campaigns, with pre-screenings in many towns and small places". According to Guiu March the institutions should also play their part, for example by presenting awards to the most successful projects ("in order to encourage competition") and by assigning quotas for the programming of European films on prime time public TV.

A joint effort, in which Guiu March believes that "Europe must educate Europeans to see and appreciate their own films, as an important part of their culture".

Montserrat Guiu March
Exhibitor, Director "Cinemes Guiu", Spain
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MORE SPACE FOR EUROPEAN FILMS: THE EXHIBITORS' INITIATIVE

Some go for quality programming, others involve schools. There are those who concentrate their efforts on "mixed" solutions, where screenings of niche movies rub shoulders with rock concerts, and there are those who accept the compromise of including a blockbuster in their programme to make ends meet. The final aim is the same: to make your cinema appealing, but not only this. Because the question posed at the beginning of this session was a thorny one and also regarded the space made available for European films. There has been a wide range of answers. The talk by Alexander Syllaba and the round table that followed offer an interesting idea of this variety and give rise to a reflection on what might really be the role of the exhibitor in making European films known, what might be the main difficulties and what means can be used to overcome them.

MORE SPACE FOR EUROPEAN FILMS: THE EXHIBITORS' INITIATIVE

CINEMA PARADISO: QUALITY FILMS AND ENTERTAINMENT

It's a small cinema with two screens and a pub with its own garden, which was created out of an old, disused cinema. The name is inspired by Giuseppe Tornatore's film; the goal is that of offering quality films. The Cinema Paradiso of Sankt Pölten, an Austrian town located 80 kilometers from Vienna, was the only one to "dare" open its doors after another three cinemas had closed down, due to the opening of an 8-screen complex nearby. "When we screened 8 miles*, we had a bigger box-office than the multiplex", says Alexander Syllaba, who is the General Manager of the Cinema Paradiso. To those present, he explains his "little miracle": a cinema that manages to thrive without blockbusters, yet still aiming at a young audience, allowing "serious" cinema to coexist alongside pure entertainment. And in a city of 45,000 inhabitants, he has already sold 70,000 tickets in little more than 9 months, to which another 10,000 from concerts or other events must be added. In all a total of 110,000 people visited the Cinema Paradiso over the first few months, including people who came to the pub and attended the open-air screenings outside the cinema.*

Syllaba's idea, dating from the 1990s and inspired by the film "Nuovo Cinema Paradiso", was to hold outdoor screenings. This is how Sankt Pölten's first open-air film festival, called the Sankt Pölten Open-air Film Festival "Film am Dom" came into being, with a large screen specially set up in front of the cathedral for the occasion. "Everyone was perplexed – commented Syllaba – even the institutions. Instead, the review, that lasted four days, attracted 10,000 enthusiastic people". So much so, that the initiative was repeated for the following 10 years, after which the weekly screenings of European and art-house films began on a screen in the old, disused cinema. "The aim was to integrate the regular programme of movies at the cinema, although we were only able to do this at the end of the usual screenings. Nevertheless it was a very successful initiative for over 6 years". However, they never lost sight of their real goal, which was to have their own cinema: "For years we discussed the question of having our

own cinema with the municipal authorities and talked to people during the summer reviews about the cinema we wanted to create". In the end, in December 2002, the Cinema Paradiso was founded. "Certainly – admitted Syllaba – we could never have done it without public financing". But he immediately added: "In reality, we repay everything we receive from the public institutions in the form of taxes, which are very high in Austria. In the end, we're a good investment for the State". And we have also created about 12 regular jobs.

The Cinema Paradiso has two screens: one is for films and is "well-equipped, with high technical standards"; the other, called *"pop cinema"* – where spectators can also eat and smoke – is devoted to events. In both, there is a small stage, where, according to the evening, readings, conferences, concerts, DJ evenings and much more can be alternated: "We have screenings and events every night".

There is a very young audience, that certainly appreciates both the look of the place ("the style, the name, the structure and furnishings have been completely renewed: there's nothing left from the old cinema") and what it offers. Even apparently "secondary" aspects, such as the bar at the entrance, that can be visited even if one is not attending the screenings or events, and the Internet-station.

And yet, the Cinema Paradiso is not only a meeting place for young people: "our marketing strategy is based on collaboration with schools, institutions, and senior citizens' centers. We have a mailing list of about 4,000 addresses, a website and a club. Our basic marketing tool is a high-profile, monthly brochure of 20 pages, published in 4 colours with high-quality printing. It gives complete information about the programme, the movies and all the activities that go on in the cinema. More than 12,000 copies are printed each month. We often collaborate with the main Austrian radio stations, TVs and local newspapers". It's a far-reaching strategy that is very attentive to communication: "It is important for us to convey the fact that we are a high-quality and extremely professional cinema, where the spectator can enjoy films that are different to those found in most other cinemas".

So, it is first necessary to have programming that places quality before the box-office earnings: from this point of view, one can also give space to films from overseas, provided that they are of high quality: "The public wants to see good films, it doesn't matter which country they come from".

Alexander Syllaba
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MORE SPACE FOR EUROPEAN FILMS: THE EXHIBITORS' INITIATIVE

EXCHANGE OF IDEAS AND EXPERIENCES

Alessandro Tizian manages a three-screen cinema in the small town of San Bonifacio in the northeast of Italy; Luigi Grispello, President of Agis Campania (Italy) and representative of FICE (the federation of arthouse cinemas), manages some commercial cinemas in the region, as well as a circuit of arthouse cinemas in Naples. Olivia Hamilton is responsible for programming in a centre that houses an art gallery, a cinema and a multi-functional area, in a small town in Dorset, England. At the round table concluding the course they compared notes, starting out from their own experiences and encouraged by questions from participants, on the opportunities and possibility for contributing as exhibitors to increasing the numbers of European films in cinemas. Some interesting ideas emerged.

"An increase in services and in the number of cinemas"

"In 2002, following the opening of a UCI multiplex, admissions in my cinema plunged by 20%". This was the situation that **Alessandro Tizian** had to cope with. How could such a problem be dealt with? "Changes in programming and focusing only on quality films might work in a big town but not in a provincial area, like mine". Tizian speaks of his choice as strategic, dictated by necessity: "I can't programme art-house films only and balance the books because I survive thanks to box office from the blockbusters". The result is an increase in the services offered and in the number of screens. As far as the former are concerned, it is a question of concentrating on tools that contribute to creating customer loyalty, such as sending e-mails and Sms messages.

As regards the screens, Tizian says that he has a project ready for a 7-screen cinema, "in order to cover the whole catchment area of San Bonifacio, without going further afield, because otherwise I would suffer from competition with the urban multiplexes". Tizian wishes to devote special attention to the architecture, which is not standard US style, but attractive to adult audiences, used to the more sober style of town theatres.

"Greater collaboration to re-launch European films"

Initiatives by individual exhibitors will not save European cinema. **Luigi Grispello** is convinced of this and maintains that, despite acknowledging the importance of every contribution by a cinema, "joint efforts by associations and institutions are needed". Of great importance is also "better communication between exhibitors and distributors, to facilitate the circulation of European films".

And to boost their negotiating power with distributors, exhibitors – above all those running small cinemas – should form circuits. The greater strength acquired by small cinemas would also be of use in avoiding a "rigid distinction between traditional cinemas and multiplexes", in favour of a line of thought that concentrates more on the "theatre system" than on each individual cinema. According to Grispello, the distinction between multiplex audiences and the audiences of traditional cinemas is also excessively rigid ("even though it is true that there is a type of audience that likes the more moderate and cosier aspect of traditional cinemas"). To sum up, the solutions are to be found far beyond the over-simplified and equally as unhelpful separation into goodies and baddies. And European films, if the individual exhibitor is not left to his or her own devices in bringing them to the screens, can be exhibited in any cinema.

"A quality offer to compete with the multiplexes"

"Up until 10 years ago – explains **Olivia Hamilton**, presenting "Lighthouse" – we only screened blockbusters, using the concert halls for screenings, too, as there were no cinemas in the vicinity. Then a 15-screen multiplex opened 5 km from the centre and we had to change our business". In 1999, as well as the business, the building changed, too, "because we didn't have the money to renovate it". After closing for two years, and thanks to public financing, the centre and the cinema re-opened at the end of 2002. With tickets costing less than at the multiplex: 5 pounds, around 7 euro, further reduced to 4 pounds for families. In less than one year, the cinema had recorded over 19 thousand admissions, screening 120 films, half of which were European and, of these, 27 English productions.

"We cannot compete with the offer by the multiplexes, partly because we don't obtain prints until 6-8 weeks after the film's release but we try to offer other advantages". Such as quality programming: director films, arthouse films, experimental screenings. But this strategy, concludes Hamilton, will soon have to be reviewed: a new multiplex is about to open right opposite Lighthouse. Who knows if European films will be able to hold out.

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THE CINEMA IN NUMBERS

Seven hundred pages of data, comparisons, analyses, devoted to the cinema market in 32 European countries: this is the MEDIA Salles ***"European Cinema Yearbook"****. Now "lighter" in its CD-Rom format, it is equally as complete as the paper edition. Frequently quoted as a source of statistics during the course, it was explained to the participants, who all received a copy of it, by Elisabetta Brunella, Secretary General of MEDIA Salles.*

The MEDIA Salles Yearbook, which has also been available on CD-Rom since 2001, brings together the results of an annual survey on the European cinema industry. Periodically updated through numerous reprints, the volume offers an analysis of the exhibition market in as many as 32 countries throughout Europe from 1989 to 2002, by means of over 40 statistical indicators. Published for the first time in 1992, the Yearbook has become a reference point for international researchers and experts. Written in three languages (Italian, French and English), it consists of two main parts. The first contains a highly detailed series of comparative tables organised in two sections, one for Western Europe, and one for Eastern and Central Europe and the Mediterranean Rim: a comparative analysis of the Western European market and other markets outside Europe (United States, Canada, Australia, Japan, South Korea and Hong Kong), multiplexes in Europe and a new section devoted to an analysis of digital cinemas (equipped with DLP Cinema™ technology) and digital films (screened with DLP Cinema™ technology) throughout the world. The second volume contains 32 country chapters, giving a wealth of details. The Yearbook is always presented during important national and international festivals and during events promoted by MEDIA Salles. Moreover, the latest edition has been enriched by an essay on the circulation of European films in Europe, with the objective of analysing the chances that domestic films have to cross the borders of their country of origin.

The "European Cinema Yearbook", which is distributed free of charge, is available on the MEDIA Salles website at www.mediasalles.it.

EUROPEAN COUNTRIES AT THE COURSE - SUMMARY TABLE

	POPULATION	NUMBER OF CINEMAS	NUMBER OF SCREENS	ADMISSIONS	FREQUENCY PER HEAD	GROSS BOX OFFICE (euro)	AVERAGE TICKET PRICE (euro)	NUMBER OF MULTIPLEXES: (as at 31st October 2003)	
								No. of sites	No. of screens
Austria	8,139,310	198	562	19,245,441	2.36	125,952,449	6.54	22	226
Belgium	10,909,725	126	514	24,378,961	2.23	136,041,839	5.58	21	268
Bulgaria	7,891,095	179	194	2,015,735	0.26	4,456,969	2.21	2	23
Denmark	5,368,354	167	361	12,911,000	2.41	99,613,934	7.72	6	64
Finland	5,194,901	na	342	7,424,377	1.43	*c. 53,400,000*	*c. 7.19*	4	43
France	59,344,025	2,146	5,257	184,460,678	3.11	1,027,865,350	5.57	135	1,551
Germany	82,440,309	1,844	4,868	163,909,668	1.99	960,075,288	5.86	127	1,209
Greece	10,988,000	306	439	*c. 12,600,000*	*c. 1.15*	na	na	7	74
Hungary	10,174,853	393	605	15,278,354	1.50	46,332,519	3.03	12	124
Ireland	3,882,638	na	326	17,319,435	4.46	*c. 93,500,000*	*c. 5.40*	10	112
Italy	56,993,742	2,206	3,346	112,165,107	1.97	629,707,268	5.61	63	647
Lithuania	3,475,586	65	79	1,916,179	0.55	4,653,713	2.43	2	17
Norway	4,524,066	250	401	12,041,422	2.66	96,956,335	8.05	4	37
Poland	38,632,453	617	854	27,090,777	0.70	*c. 92,474,000*	*c. 3.41*	22	238
Portugal	10,335,559	*158*	*401*	19,480,000	1.88	73,215,000	3.76	12	138
Spain	40,409,330	1,220	4,001	140,716,354	3.48	625,904,465	4.45	186	2,062
United Kingdom	58,928,000	775	3,402	175,902,533	2.99	1,179,827,991	6.71	187	2,069

(as at 31st December 2002)

Source: MEDIA Salles' "European Cinema Yearbook - 2003 edition and Source Document"
na: Data not available
c.: Estimated figures

OUTSIDE THE CLASSROOM

MULTIPLEX ADRIANO: TECHNOLOGY AND COMFORT

A theatre of historical renown in the centre of Rome that has always welcomed innovation. Indeed the Adriano was the venue for the first Beatles concert in the Sixties. After being converted into a cinema, it had to face the same problems as any other urban cinema, ambushed in the midst of far larger and well equipped theatres. And it decided to compete in terms of technological quality and range of offer.

This is how, in 2000, it re-opened with 10 extremely well-equipped screens. "Our cinema – says the Director, Emanuela Cordioli – is amongst the most advanced in Europe".

The building comprises a large number of different areas and ancillary services, covering a total surface area of 17,000 sq. mt, with a volume of 53,000 m^3, planned on 6 different levels, including the basement. Inside, as well as the screens, five of which are amphitheatres, there is a conference room with facilities for simultaneous interpreting, interactive areas with a space reserved for Play Stations®, a play area for children, "where specialised staff is always available", plasma video screens in all areas showing information for audiences and trailers, 4 lifts, 7 escalators, background music, bars and refreshment facilities, "as in the most modern and sophisticated shopping centres".

Special attention has been paid to customer convenience, starting with the purchase of tickets: as well as the opportunity to book and buy tickets in advance over the Internet, there are also terminals for purchasing and collecting tickets in the foyer. "In addition – explains the Vice Director, Antonio Sambrotta – a series of solutions have been found for giving priority to disabled people, not only in terms of physical access using special elevators, but also in terms of other facilities and inside the theatres themselves".

And the spectators seem to be rewarding the Adriano's strategy: in a year 1 million tickets have been sold.

Cinema Adriano
Director: Emanuela Cordioli
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e-mail: cordioli@cecchigori.com

OUTSIDE THE CLASSROOM

CINEMA NUOVO SACHER: THE FILMS COME FIRST

A cinema founded in the Twenties, transformed into a variety theatre in the Fifties, and then reconverted into a cinema, the "Cinema Nuovo", in the Seventies. It was at the end of the Eighties that Sacher Film, belonging to the famous Italian director Nanni Moretti, bought up the theatre. "It was a second-run cinema – says the cinema's director, Ermanno Nastri – but Moretti and Angelo Barbagallo immediately gave the programming their own distinctive mark". The idea was clear: to screen quality films, which normally suffer in "commercial" distribution. The building is small – a grand total of 5 people work there full-time – but as soon as you set foot in it, you feel at home. An old-fashioned cash desk, a bar, where the famous Sacher Torte is always available, a small specialised bookshop, a theatre with 360 seats and, for summer screenings, a pleasant, outdoor amphitheatre. "Here – explains Nastri – in July and August we screen the year's best films, chosen together with our audiences. Moretti himself chairs the debates following the screenings". On alternate years there is also the "Sacher Festival", devoted to short films: "Between 700 and 800 are submitted for selection but no more than 30 are chosen. It's Moretti who supervises the selection". And Nanni Moretti himself is the life and soul of this cinema which, like its films, addresses so-called "niche" audiences, of a good educational level, curious, on the lookout for good films and a reserved and welcoming space where they can discuss them. Ticket sales can certainly not be compared to those in the large cinemas (there are around 100,000 admissions a year) but the idea works. So much so, that Moretti received an exhibitor's award at the 2003 Giornate Professionali (Professional Days) organised in Sorrento by ANEC. A sign that it is not only comfortable seats but also good films that make for a good evening out at the cinema.

Cinema Nuovo Sacher
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APPENDIX

EUROPEAN CINEMA EXHIBITION - A NEW APPROACH

24-28 September 2003, Rome, Italy

Course Programme

Wednesday, September 24

Arrivals & check-in at Hotel.

15:30
Departure from Hotel to ANEC Headquarters (bus from Hotel International Palace)

16:00
Welcome coffee
Registration at ANEC

16:15
WELCOME
By Walter Vacchino, President of ANEC, Italy
By Gianni Profita, Director General for Cinema, Italian Ministry of Cultural Heritage
By Jens Rykaer, President of MEDIA Salles

Presentation of the MEDIA Salles' Newsletter "European Cinema Journal", No. 03/03

16:45
COURSE PRESENTATION - GOALS & PROCEDURES
By Elisabetta Brunella, Secretary General, MEDIA Salles, Italy
Mette Schramm, President of Danish Cinema Exhibitors' Association
Mads Egmont Christensen, Course Moderator & Producer, Mecano Film, Denmark

18:00
THE PRESENT STATE
OF THE EUROPEAN CINEMA EXHIBITION
Local and international trends in the business as seen respectively from a distributor's and an exhibitor's point of view.
By Kristin Greiner, Marketing Manager of Buena Vista International, Italy
&
Tony Williams, UK

20:30
Dinner

Thursday, September 25

08:30
Departure from Hotel to ANEC Headquarters (bus from Hotel International Palace)
09:00
CINEMA-GOING IN EUROPE IN 2002
Presentation of the MEDIA Salles European Cinema Yearbook
By Elisabetta Brunella, Secretary General, MEDIA Salles, Italy

09:30
D-CINEMA
Theories, directions, practicalities & visions presented by two exhibitors
By Laura Fumagalli, Marketing Manager of ARCADIA, Italy
&
V.J. Maury, General Manager of PALACE CINEMAS, Hungary

Presented by
Angelo D'Alessio, EDCF, SMPTE

(Followed by Question & Answer-session and discussion)

11:15
Coffee Break

11:45
VERTICAL INTEGRATION IN EUROPE
By Vittorio Testa, LUISS, Italy

(Followed by Question & Answer-session and discussion)

12:30
Lunch

14:00
Departure to CINEMA ADRIANO (by bus)
Cinema-going in Rome
Felice Ambrosino, Cine Notes, Italy

15:30
Departure to CINECITTÀ (by metro)

16:30 Visit to CINECITTÀ

18:30
Departure from CINECITTÀ (by metro)

FREE EVENING

Friday, September 26

08:30
Departure from Hotel to ANEC Headquarters (bus from Hotel International Palace)

09:00 - 16:00
SPECIAL FOCUS ON: SUMMER IN EUROPEAN CINEMAS
A thematic presentation of a number of topics of how to encourage cinema-going in the summertime

09:15
PART I
This is how we did it
By Eric Marti, France (Fête du Cinéma)
&
Beate Tangre, Norway (Norwegian Summer Campaign)

(Followed by Question & Answer-session and discussion)

10:45
Coffee Break

11:15
PART II
Why it didn't work
By Mette Schramm (Three Danish Summer Campaigns)

Summer Campaigns in Germany
By Andreas Kramer, HDF, Germany

(Followed by Question & Answer-session and discussion)

12:45
PART III
The special aspects of summertime-distribution in Italy
By Richard Borg, President of UIP, Italy

(Followed by Question & Answer-session and discussion)

13:30
Lunch

14:30
PART IV
How to programme different territories during the summer
By Patrick Terryn, KINEPOLIS

(Followed by Question & Answer-session and discussion)

15:30
FREE AFTERNOON & EVENING

Saturday, September 27

09:00
Departure from Hotels to SACHER CINEMA (bus from Hotel International Palace)

09:30
VISIT TO SACHER CINEMA
Screening of "Goodmorning, Night" by Marco Bellocchio, 2003 Italy, 105'
In competition at the 60th "Mostra Internazionale d'Arte Cinematografica di Venezia"

12:00
Departure from SACHER CINEMA to ANEC Headquarters (by bus)

12:30
Lunch

13:30
FOCUS ON: OVERSCREENING
"I saw it coming...."
By Primitivo Rodriguez, President of FEECE, Spain

14:15
Coffee break

14:45
HOW CAN THE MARKET-SHARE OF EUROPEAN FILM BE RAISED?
What is the exhibitors' role - if any?
Case-study: Cinema Paradiso - concept and development
By Alexander Syllaba, General Manager, Austria

15:15
TRENDS AND INDICATIONS EMERGING FROM AN EXCHANGE OF EXPERIENCES BETWEEN COUNTRIES
Montserrat Guiu March, Spain
Alessandro Tizian, Italy
Luigi Grispello, Italy
Olivia Hamilton, UK

(Followed by Question & Answer-session and discussion)

17:00
Departure from ANEC Headquarters to COLOSSEUM (by bus)

18:00
Guided Tour of COLOSSEUM

19:00
Departure to Hotels (by bus)

20:15
Departure from Hotels to the restaurant

21:00
Gala Dinner at Roof Garden of the Grand Hotel de la Minerve

Sunday, September 28

10:00 - 11:30
(At PALACE INTERNATIONAL HOTEL)
PLENARY SESSION

TRENDS & FEED-BACK FROM THE COURSE. EVALUATION & GOOD-BYE

Departures

THE PARTICIPANTS DURING THE VISIT TO CINECITTÀ

SELECTED APPLICANTS

Name	Organization	Country
Angelo Acquaviva	Sala Margherita	Italy
Juanita Adams	Kino City AB	Finland
Angelo Agostinelli Miranda	Teatro Massimo	Italy
Adriana Battaglia	Cinepraia SMC	Italy
Davide Borghini	Filmintour	Italy
Fiona Breslin	Irish Film Center	Ireland
Michael Chalmer	Nordisk Film Cinemas	Denmark
Francesco Cicolella	Multisala Corso	Italy
Donato Cosmo	Cosmopolis	Italy
Andrea Falciola	Nuovo Centrale	Italy
Giancarlo Giraud	Cinema Don Bosco	Italy
Luigi Grispello	ANEC/AGIS Campania	Italy
Montserrat Guiu March	Cinemes Guiu	Spain
Olivia Hamilton	Lighthouse	UK
Mogens Kruse	Kinokonsult	Denmark
Thierry Laermans	FCB - Fédération des Cinémas de Belgique	Belgium
Daiva Laskauskiene	Cinema Lietuva	Lithuania
Louise Madsen	Nordisk Film Cinemas	Denmark
Lisa McNamara	SBC International Cinemas	Portugal
Lars Møller	Nordisk Film Cinemas	Denmark
Filippo Nalon	Cinema Excelsior	Italy
Anastasia Pesiridou	Ster Century Cinemas	Greece
Vittorio Polin	T.C.P.M. S.r.l.	Italy
Arianna Prevedello	Multisala Pio X - MPX	Italy
Cristiane Reynaud	Cinéma Ermitage	France
Primitivo Rodriguez	FEECE	Spain
Simona Sala	Cinema Roma - Cinema Riuniti	Italy
Francesco Santalucia	Cinema Galleria	Italy
Tiziano Solmi	Corallo Cinemas	Italy
Alessandro Tizian	Multisala Cristallo	Italy
Vladimir Trifonov	Cinema Center	Bulgaria
Savino Vignola	Multisala Vignola	Italy
Petros Vogiatzoglou	Ster Century Cinemas	Greece
Georgios Vultsios	Ster Century Cinemas	Greece
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EVALUATION OF THE COURSE BY PARTICIPANTS

During the exhibitors' training course the participants received **two types of structured questionnaires**:
1. one **at the beginning of the course**, designed to discover the experience and expectations of the participants and consequently to better adapt the teaching activities to their requirements. More specifically, the questionnaire was designed to investigate:
- the exhibitors' motives for taking part in the course;
- the participants' initial knowledge of the main topics dealt with in the course;
- the types of courses already attended;
- the strong and weak points identified by the exhibitors in their own work, in order to lead them to reflect on logic and analytical tools in the area of marketing from the very beginning of the course;
- the sources from which they found out about the course;

2. one **at the end of the course**, designed to identify the factors that may have encouraged or hindered the learning process. The questionnaire asked the participants to rate the following main aspects:
- how far they had been able to broaden their knowledge;
- the teachers' ability to involve trainees and teach effectively;
- the efficiency of the course structure, with reference to the time devoted to different learning activities, the support material and other more strictly organisational aspects, such as the timetable, the functionality of the classroom equipment etc.;
- the overall degree of satisfaction with the course and its practical contribution to the participants' day-to-day work;
- difficulties encountered and suggestions for improving the course;
- participants' interest in taking part in any other professional training courses.

The questionnaires, consisting of multiple-choice items and some open-ended questions, were filled in anonymously.
Twenty-eight participants collaborated, of whom 53.6% came from abroad and the remaining 46.4% from Italy.

Most of the respondents are exhibitors or cinema managers (60.9% of cases) and programmers (17.4%) and have held their present position for five years or less in 62.5% of cases.
They work in medium- to large-sized cinemas, possessing from 2 to 8 screens in 56.6% of cases and over 8 screens in 21.7% of cases, which have sold over 50,000 tickets over the past year in 70% of cases.

The respondents declare that they decided to take part in the course organised by MEDIA Salles mainly in order to exchange experiences with colleagues and to improve their professional skills as well as to broaden their knowledge of the cinema sector in general, in order to gain new ideas for marketing, with particular regard to the promotion of European films.

They found out about the course *European Cinema Exhibition: A New Approach* mainly from the MEDIA Salles website (in 42.3% of cases) or from an e-mail, fax or letter sent out by MEDIA Salles (42.3%).

Before September 2003, twelve exhibitors had not attended training courses, whilst all the others had already had experience of professional training, particularly in the area of the new technologies, marketing and company communications.

The respondents thus stated that they possessed a fair basic knowledge of the cinema sector, with particular reference to audience analysis, the types of structure in which they operate, promotional policies and the impact of new digital technolog.

According to the exhibitors, their companies' strong points consist mainly in knowledge of the audience (an aspect quoted by a high 96.2% of the respondents), the company's image (84.6%), its professional credentials (76%), its technological standards (72%) and managerial skills (66.7%). The most salient weak point, instead, is considered to be the level of integration with distributors (an aspect quoted by 68% of respondents), whilst the range of extra services, financial skill and the size of the company are considered by around half of the respondents as factors that are determining the competitive edge of the company and, by the other half, as weak points in the company's competitive potential.

With specific regard to the course promoted by MEDIA Salles, the respondents declared that it was run in line with the objectives, content and procedures initially planned and presented, with a high level of correspondence (in 53.6% of cases) or very high level of correspondence (32.1%).

With respect to their initial expectations, the participants thus state that they are generally satisfied with the course: in particular, only 7.2% of the respondents prove to be *dissatisfied* or *not very* satisfied, 14.2% are *fairly* satisfied, 28.6% are *very* satisfied and the remaining 50% *extremely* satisfied.

Examining the degree of satisfaction with specific aspects of the course in greater detail:

- with regard to the ***topics*** dealt with, the respondents stated that they had significantly broadened their knowledge mainly in terms of the analysis of companies operating in Europe, marketing strategies and the analysis of competitive scenarios, whilst their knowledge of audience analysis remained the same as it had been before the course;
- with regard to the ***teachers***, the participants particularly stressed their willingness to clarify and co-ordinate the topics discussed;
- with regard to the ***time*** devoted to the various learning activities, it was considered to be adequate to the learning foreseen by the programme for more or less all the activities, in particular for the case studies and the lectures on theory;
- as regards the ***materials and teaching aids*** provided, these were generally considered to be of high quality, especially in terms of their usefulness and pertinence to the topics dealt with;
- with reference to the ***organisational aspects***, these were generally considered to be perfectly suited to the efficient management of the learning activities and a particularly positive judgement was expressed concerning the availability of the screening rooms and the comfortable and efficiently equipped classrooms;
- as regards the ***professional gains*** provided by the course, the respondents stated that the knowledge acquired would be used in their day-to-day work to a *fairly high* degree (for 18.5% of respondents), a *very high* degree (37%) or *extremely high* degree (29.7%), making a fair contribution to the efficiency of their own work. Approximately 14% of respondents, on the other hand, did not consider that the course could be made use of in their everyday work, or contribute to making it more efficient.

Moreover, all the respondents made further suggestions including, as well as a longer course, a more detailed investigation of marketing topics (according to specific types of cinema, the size of the residential area, etc.) with more than one way of solving problems.

Lastly, the participants all stated that they would be willing to participate in future professional training courses; they showed specific interest in travelling courses on cinema exhibition, distribution and marketing strategies (which 92.6% of them would attend), courses on the organisation of promotional events and festivals (85.2%) and courses on cinema exhibition in Southern Europe and the Mediterranean Rim (70.4%), on digital cinema (quoted by 59.3% of respondents) and on children's cinema (51.9%).


CINECITTÀ

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Layout by Fotocomposistem snc, Tregasio, Italy
Printed in Italy

CINEMA D'EUROPA

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An initiative of the European Union MEDIA Programme
with the support of the Italian Government

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