

**Cinema  
2020**

**Report**

**Conference**

*On the future of*

**Cinema**

**23 & 24 March 2016**

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This report includes summaries of the industry pitches and keynotes presented during the conference, complemented by quotes concerning the key themes.

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# Cinema2020

## About the conference

In collaboration with FDN, FPN and EYE, the NVBF organised a conference on the future of cinema: Cinema2020. The conference took place on March 23 and 24 in EYE Film Museum in Amsterdam.

The overarching goal of the conference was to present an overview of the recent trends, issues and opportunities of digital cinema, allowing participants to discover and discuss new developments in digital exhibition, distribution and film production.

“Everyone in the film sector faces the same challenge: to keep up with changes within digitisation and consumer habits. Furthermore, everyone has the same interest: to strengthen the Dutch film industry and culture. To seize the opportunities and carry out innovative ideas will take flexibility and collaboration.”

*Gulian Nolthenius  
Managing director NVBF*

The conference aimed at placing Dutch developments in an international perspective, in order to shed light on and help us address the challenges of the future. In addition the conference offered the opportunity to broaden and enhance networks in the Dutch film sector.

*During the conference HFN simultaneously published short articles online: [hollandfilmnieuws.nl](http://hollandfilmnieuws.nl) or via the login at [cinema2020.nl](http://cinema2020.nl) (participants only)*

*Cinema2020 presentations are available to participants via the login at [cinema2020.nl](http://cinema2020.nl)*



1,5 days  
17 speakers  
280 participants



## AUDIENCE INTERACTION

An important feature of Cinema2020 was audience interaction. Sendsteps, an Amsterdam-based company, enabled participants of the conference to interact with the speakers and moderator Michael Gubbins. By the use of their mobile phones, participants could vote, express their opinion and ask questions. Audience responses were anonymous and were shown on the screen during special Sendsteps sessions, led by Peter Buckingham. Results from the sessions are included in this report.





Thinking about your business, in 2020 your business will be substantially healthier than it is in 2016

A. agree 59.8%

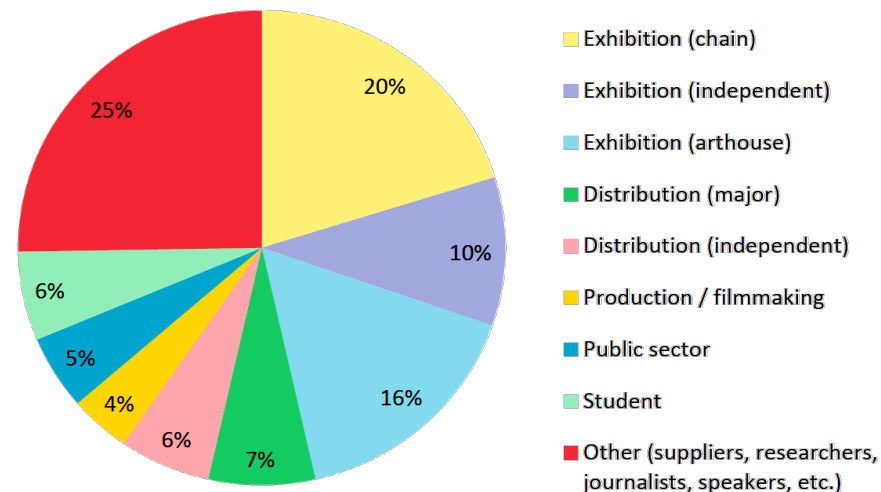
B. disagree 40.2%

Step 1: WiFi -> Go to C2020 and log in with digital123  
Step 2: Internet -> Go to sende.com and log in with Cinema



## Who's in the room?

Participants' line of work



## Main issues

When asked what participants hoped to learn during the conference, big data, arthouse exhibition and attracting young audiences turned out to be amongst the main issues. For example, the following questions came up:

*How do we attract the eyeballs of Gen Z to the cinemas in the next 20 years, whilst we know they will be watching mainly on mobile devices?*

*How can exhibition and distribution collaborate in consumer data and research?*

*How can we make sure arthouse films will find their audiences in the future?*

## Welcome by Sandra den Hamer

*CEO EYE Film Museum*

At the start of the conference Sandra den Hamer, CEO EYE Film Museum, welcomed the participants in what she calls 'the home of cinema in the Netherlands'. EYE is the only museum for film in the Netherlands. It restores, conserves and digitises more than 40.000 films, ranging from classics to recent and future productions. Furthermore, EYE is also looking forward by organising debates and new acquisitions and programs, such as the first Virtual Reality Film Festival. In addition, EYE is a supporting institution for the film industry, committed to stimulating the Dutch film climate. In collaboration with the film industry itself, they organise conferences, publish manuals for people working in the industry, provide masterclasses and workshops and carry out research. Since education constitutes another vital part of EYE's supporting role, EYE organises national educational programs to teach children to 'read' images and to raise their enthusiasm about cinema. Together with the Dutch Exhibitors Association and the Dutch Film Distributors Association, they spearheaded Cinema Digitaal, the digital cinema roll-out in the Netherlands. Although



digitisation offers many opportunities, Den Hamer underlines that it also brings along threats such as piracy. For EYE as an archive, it is also a considerable challenge to preserve the new digital heritage and to make it accessible. In order to do so, EYE will have to digitise the remaining analogue content and continuously has to adapt to new standards and formats. What new opportunities and challenges will be presented to us after the digital cinema roll-out is central to the debate during Cinema2020.

## Welcome by Winnie Sorgdrager

*President Dutch Exhibitors Association*

Cinema2020 is organised by partners within the Dutch film industry. According to Winnie Sorgdrager, president of the Dutch Exhibitors Association, this shows of how much importance the future of the film industry and film exhibition truly is. The year 2020 is not that far away, but things are changing at a very high pace and we have to keep up. The film industry is expected to innovate and to quickly respond to new developments.



The past couple of years were marked by an incredible amount of investments in new cinemas, new technology and new concepts. And it pays off: admissions have grown in 2015 with seven percent, up to 33 million admissions. Digitisation has successfully come to its end, but according to Sorgdrager that is definitely not a reason to sit back and relax. There are still several opportunities for growth and we have to keep asking ourselves how to attract and retain our audiences. Meanwhile, the audience has become more demanding, wanting cinema going to be an experience instead of just a night at the movies. As our positions shift within the value chain and the digital world offers us new developments, challenges and opportunities, Sorgdrager hopes for an open discussion and inspiration for new initiatives and innovative business models during Cinema2020.



## Do we have digital cinema?

*Michael Gubbins— SampoMedia*

Do we have digital cinema? That is the question posed by Michael Gubbins at the start of the conference. Cinema is digitised: it has transformed from a chemical form to a mathematical form. However, is it also digital? According to Gubbins people have the idea that cinema hasn't really moved. We are living in a digital world but whenever there is a discussion about digitisation, cinema is never mentioned. But cinema is changing, and besides technological aspects digitisation has brought on some difficult discussions. The natural state of 'digital' is being borderless and as it were, democratic. But territoriality is already a point of discussion within cinema. This is not the only issue, though. During the years it takes to produce a film, the world around us changes at a very high pace. But how do we deal with time and how can cinema adapt? According to Gubbins we shouldn't waste our time obsessing over technology and release windows. At the heart of cinema is the audience and we have to give them a reason to get out of the house. Consumers want immediacy, authenticity and exclusivity. Direct interaction with the audience is key. In order to achieve this we need to gain more knowledge of the audience through data. The digital enhances the experiential; cinemas need to decide which elements to include and how to engage their audiences.

**Michael Gubbins** is co-founder of SampoMedia, an analyst and consultancy company with a focus on changing consumer behavior and media markets. As experienced journalist and analyst, and current chair of the Film Agency for Wales, Gubbins has a broad view of the developments in consumer behaviour within creative industries.





## INDUSTRY PITCHES

At the first day of the conference, five companies or 'players' in the Dutch digital film sector held an industry pitch. In order to inspire and 'warm up' the audience for the next day, these pitches aimed at presenting initiatives and new ideas. At the heart of this section is the question of what we could expect in terms of technological enhancements in the near future.





## Big data

*Sarah Lewthwaite – Movio*

Big data is transformative to the cinema sector, so says Sarah Lewthwaite from Movio. Movio is global leader in software that can help companies to analyse their customer data and incorporate it in their marketing strategy. With the use of big data one can obtain benefits throughout the entire organisation, such as gaining a better insight into consumer spending on food & beverage, a maximisation of loyalty programs, finding audiences for specific films, ability to offer good recommendations to audiences, optimisation of capacity in low hours and a maximisation of the final days of a film's run. The problem according to Lewthwaite is that people do not know how to start leveraging this valuable data. Lewthwaite argues for cinema marketers to use data as an integral part in their marketing strategy and emphasises the need for testing and learning in order to start reaping the benefits of big data.

*Sarah Lewthwaite is Movio's Strategic Partnerships director, overseeing Business Development and Strategic Services in EMEA territory. Sarah is former Vice President of Marketing at Cineplex Entertainment and has over 15 years of experience in cinema loyalty marketing.*

**"In this day and age of reduced budgets and lots of releases, a data driven marketing strategy is crucial"**

## Free flow

*Cathy Huis in 't Veld – Gofilex*

According to Michael Gubbins it is one of the most important ideas that hasn't happened yet: flexible programming. It is this idea that Gofilex hopes to enable with its platform 'Cinio'. For years Gofilex has offered the logistic service with which content such as trailers, features, alternative content and adverts are being delivered from distributors to cinemas. Gofilex has build a highly secured network, 'ODD' (Organised Digital Delivery), to do this. This has always been done according to a traditional workflow of ordering; distributors and exhibitors made a deal and ordered Gofilex to take care of the delivery. With Cinio a pull meganism is in place. Cinio is a platform which will function as a digital market place where cinemas can find different types of content, contact the owner and order it. According to Cathy Huis in 't Veld, CTO of Gofilex, this platform will cause lead times to be shortened. The main goal here is to bring all types of content together and deliver it to the cinemas as fast as possible. Huis in 't Veld ensures us that the platform is highly secured, using the ODD network for fast and secure delivery to the cinemas. Gofilex is not involved in the rights but will just be an enabler. In the end it is the content owner that will stay in charge and has to decide whether or not a cinema will receive the content.

*Cathy Huis in 't Veld is co-owner of Gofilex, the independent film logistics company in the Netherlands. For the last few years Cathy and Paul, owner of Gofilex, have been working on the European roll out of the Gofilex Organized Digital Delivery network, introducing new services like streaming of live events and Cinio.*





## Higher standards

*Matthew Jones – Cinemanext*

Compressed sound, missing channels and limited frequency ranges along with muted images: overall that was the situation in cinemas just a couple of years ago. Today we have lots of new technologies at our disposal. Sound can be controlled almost limitlessly, using 3D positioning throughout the auditorium. Audiences are literally caused to tremor by the sheer force of the modern subwoofers. With new laser projectors the visible colour space matches that which the eye can perceive more closely, at the same time improving contrast and uniformity along with full control of the different required light outputs. Matthew Jones, managing director of Cinemanext Netherlands, believes that audiences are willing to pay premium ticket prices for an enhanced experience. Though the upcharges will probably create more niches, it is a plus to diversify; premium offer could be a unique selling point of one cinema over another. So what could be the future? We've already achieved a great deal when it comes to sound. When it comes to image, the limits and diversity of the human vision have not nearly been reached. Jones mainly argues for a more widespread use of laser projection as the way forward, increasing colour space, uniformity and contrast as well as expanded variation in frame rates. In the end there is one important element left: the screen. Jones posed the question why we are still projecting traditional formats on a screen. As projected light and colour start to match the capabilities of the eye more closely, surely we could start expanding projection into the limits of our natural field of vision as well.

*Matthew Jones is Managing Director of Cinemanext Netherlands (former dcinex Benelux), an Ymagis Group Company. Ymagis Group provides a broad range of exhibitor, content and consultancy services for movie operations worldwide. Jones has played an important role in introducing innovative solutions in cinemas across the Netherlands.*

You can see things on the small screen of your phone, but a movie experience needs to be in the movie theatre.



## Enhanced experience

*Marc Aarts – Barco*

In this day and age the young generations, who are the future of cinema-going, have lots of alternatives to choose from. Also, the average occupancy of cinemas is already pretty low. To keep the audience coming, we have to continue to invest. According to Marc Aarts of Barco there is one concept that is going to be big business in the near future: premium cinema. All consumers have different needs and can be targeted with different enhanced experiences. In the case of families who would like cheap tickets you could focus more on the customer experience, for example by offering solutions for young children, such as a playground in the cinema. Otherwise there are also audiences that are willing to spend extra money on premium experiences for blockbusters. In this line of thought, premium could apply to different concepts, ranging from VIP seats or service cinemas to 4D experiences with water splashing towards the audience. The improved performance through premium laser projectors combined with high quality seats and great sound, offers the concept of 'premium large

format' (PLF). Another concept is Barco Escape, a multiple screen panoramic premium format. Lastly, Aarts points to Disneyland as an example of what he calls 'lobby domination'. Just like the main street in Disneyland, the lobby should get customers into a different sphere, make them forget their sorrow and make the wait a good experience. It should entertain people, include advertisements and motivate people to buy tickets. In the end it is an overall good experience that cinemas should be offering.

**Marc Aarts** is Sales Director for Digital Cinema at Barco, a global technology company that designs and develops networked visualization products. Aarts has over 20 years of experience in the field of digital projectors and has great knowledge of business models. He was also heavily involved in the European conversion to digital projection.



## New adventures

*Bero Beyer – IFFR*

When it comes to concepts that aim to offer a full immersive experience, International Film Festival Rotterdam turns out to be a case in point. Some of the movies shown at IFFR, do not possess stars or have not had a release in a regular distribution format. Still the festival reaches lots of audiences. The general idea of IFFR is to come to a combination of the best possible factors that work for a film and to celebrate films in their best context. According to Bero Beyer, artistic director of IFFR, people come to festivals to experience the festival atmosphere. In order to make this experience exportable and to make it grow, IFFR presented IFFR Live with performances after the film screening, a live twitter feed and a Q&A. Five films were screened within the Netherlands and abroad, both in theatres with live audiences and to an online community that could watch through VOD platforms.

**Bero Beyer** is director of the International Film Festival Rotterdam (IFFR), one of the largest audience-oriented film festivals in the world. Additionally, Beyer is an independent film producer and a member of the European Film Academy. Before his appointment as director in May 2015, Beyer was a film consultant for the Dutch Film Fund and a member of the Dutch Government's advisory body on cultural affairs.





## Welcome by Marjan Hammersma

*Director General Culture & Media - Ministry of Education, Culture and Science*

On the second day of Cinema2020, participants were welcomed by Marjan Hammersma, Director General Culture & Media at the Dutch Ministry of Education. Hammersma started off by saying that the future not only depends on what we do today, but is also shaped by what we have achieved so far. Over the past few years the cinema sector took the step from analogue to digital, consequently undergoing many technological improvements. Additionally, the quality of film productions has improved undeniably, with more innovative and creative ideas finding their way into cinemas. Other cultural experiences, such as operas, have made their appearance in cinemas as well. Again, cinemas prove capable of attracting many people. Meanwhile, as viewing behaviour changes and new companies enter the market, the sector also faces many challenges. With the upswing of social media companies and global video-on-demand services such as Netflix, it proves hard to attract an audience with locally produced audio-visual content. Trends like these ask for a reconsideration of our roles within the value chain and an adaptation of business strategies. As a representative of the ministry of Culture, Hammersma underlines the importance of a thriving film and cinema sector for an open and free society. According to Hammersma, our fundamental concern now is the question of how we are going to take the next step towards cinema in a digital age.





## BACK TO THE FUTURE

The conversion to digital projection is almost complete, but the overall journey to a digital mindset is just beginning. In this section, the main interest lies in the current state of digitisation and in what it has brought us until now. How has technology changed the cinema so far, what progress has new technology made into cinemas, and what is there round the corner that will drive creative and commercial opportunities?

## Facts & Figures

David Hancock – IHS

Lots of cinemas are digitised, but is cinema fully digital nowadays? According to David Hancock, Research Director, Film & Cinema at IHS Technology, the answer is 'no'. Not all countries are fully digitised, not even in Europe. Moreover, the cinema industry is still slightly analogue within distribution and transport. While most cinemas are digitised, they are not entirely digital in their IT and distribution backbone, and that is an important difference, Hancock states. Digitisation of cinemas has taken fifteen to twenty years. In the meantime the adoption of immersive sound, RGB laser installs, and Premium Large Format (PLF) has grown. Laser Phosphor installations have also been closely examined by exhibitors. All in all this leads to a much wider content spectrum. According to Hancock cinema isn't a system to just play recorded films anymore, it can now play out almost everything ranging from e-sports to big events, 3D, 4D, event cinema; it is all there to be used. Cinema can be used for the big and the event, we only have to do it properly.



**David Hancock** is Research Director at IHS Technology and author of multiple reports, on topics ranging from cinema exhibition and technology to alternative content and electronic delivery. As a consultant he specialises in new business models and market analyses. In addition, Hancock is President of the European Digital Cinema Forum (EDCF).

Participants' opinion:  
*Digitisation has led to a more diverse offer in cinemas*

Disagree



17%

Agree



83%



## CHANGING THE GAME

Film production volume continues to increase, and theatrical retains its role as a platform for future cinemas, but the changing model for consumption is having an impact on overall revenues for film. What does this mean for the film value chain in 2016 and beyond, where does cinema fit into the overall picture and does on-demand mean that curated content is an anachronism? What is the digital dividend? And what is the consumer's benefit?

This session focussed on how cinema and film are adapting to changing digital (business) realities. Demand and audience expectations have significantly changed; we now live in a multi-platform, on-demand environment in which cinema and film are having to fight for consumer time.

Central to this session were the following questions:

*How will the whole film value chain adapt to the changing market?*

*Is it inevitable that release windows will change and what will be the impact?*

*How is theatrical distribution and exhibition adapting to digitisation and what are the barriers that we still need to overcome?*

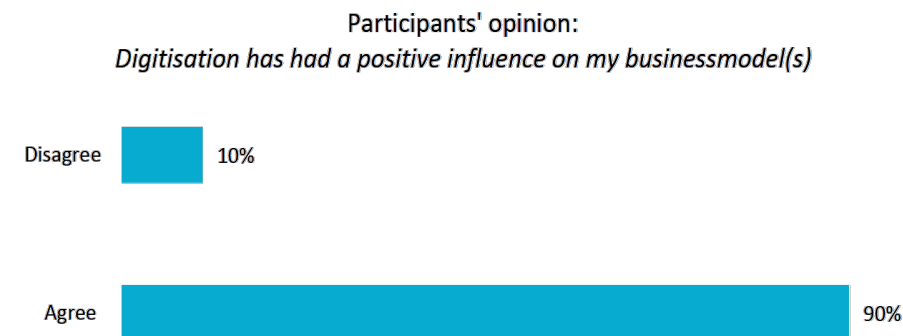




## Facts & Figures

David Hancock – IHS

As research of IHS shows, overall film production has gone up a lot, with nowadays production levels of 7,000 features worldwide compared to about 3,000 features twenty years ago. Worldwide box office and admissions are also on the rise, but this is mainly because of the influence of Asia. The cinema market in Asia is regenerating its infrastructure with more multiplexes and in particular China's market is growing strong. However, digital also means a change in the value chain model and it is having an impact on the overall revenues for film. The home entertainment market is shifting towards subscription business models. According to David Hancock, this shift risks grinding down the perceived customer value. In 2015 the consumer spend per unit came down to \$13,33 in retail, \$2,81 in rental and a mere \$0,17 in subscription. Though retail and rental have declined severely, cinema on the other hand hasn't lost its importance in the value chain. Making up about 50 to 55 percent of the total value, cinema is becoming the foundation of the transactional value chain more and more. As Gubbins states: "cinema is the place where demand for film is created and is then picked up by other channels".



## The elephant and the mouse

Wendy Bernfeld – Rights Stuff

Within the cinema industry windows are the rule but according to Wendy Bernfeld, managing director of Rights Stuff, they can and perhaps should be broken selectively. The shifting of windows through video on demand screenings, not only after, but also before or during the traditional cinema release, is a trend that has been happening mainly outside of Europe. Video on demand can be used in many different ways, ranging from day and date releases and online premières to shortened (accelerated) windows and premium home cinema, all giving audiences the chance to watch a movie at home without having to depend on theatrical or in some cases without having to wait until it's out of the theatres. This kind of cross-promotion is really important, so says Bernfeld, as well as cost efficient. By taking it from different entry points you can reach all sorts of demographics, such as young audiences or people not living close to a cinema. The film CODE GIRL for example, had been offered online for free for a week after which it was shown in the cinemas. However, it was suitable by its theme and target audience. In this way the online viewers could help to build an audience through word of

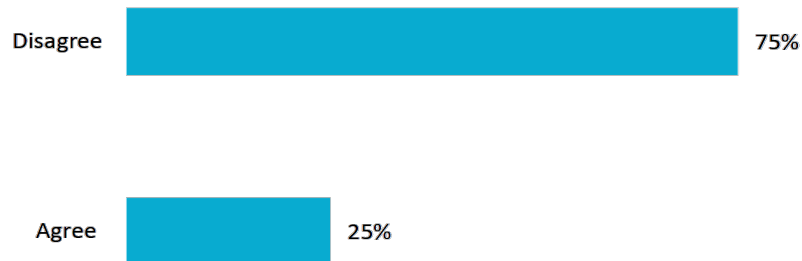


mouth, without distributors having to spend much marketing budget. Exhibitors, especially independents, could afford to be a little more flexible and less scared of changing the traditional windows. Nowadays distributors, exhibitors and VOD platforms are working together more often and are cutting deals with each party receiving its own share of the revenue. Just playing around with windows isn't going to solve our problems though, Bernfeld states. With each film we should keep the film theme, region and audience in mind in context of overall marketing strategy, and consider which ways of windowing would be best suited to build one.



**Wendy Bernfeld** is founder and Managing Director of Rights Stuff, an international consultancy which provides content strategy, distribution and licensing services. Rights Stuff focusses on maximizing the potential of rights and windows across evolving VOD, digital and traditional media. Bernfeld has 25 years of experience in European and American film-, pay tv- and programme-acquisition. In addition she is a member of multiple advisory boards for film festivals.

Participants' opinion:  
*Small screens are best for independent films*



## It is all about differentiation

Youry Bredewold – Dolby

What should we do to get people back into the cinemas? If you ask Youry Bredewold, Senior Account Manager at Dolby Cinema, it is all about differentiation. Not differentiation as it is today, but a 2.0 version with a focus on audience driven cinema. While other kinds of film consumption are mainly individual, cinema has the advantage of offering a shared experience. But even though people want a shared experience, they don't want to be annoyed by each other. In order to create a comfortable atmosphere in your theatre, you have to know what your customers want and improve on it. "Everything should be about the specific audience in that momentum", Bredewold states. Cinemas can achieve this by

**"Everything should be about the specific audience in that momentum"**

finding out when certain groups are visiting and by subsequently adapting things like the website homepage and the tone of voice or even outfits of the staff. People want to feel like they are sharing the experience with others like themselves. According to Bredewold



**Youry Bredewold** is Senior Account Manager EMEA at Dolby Cinemas, a technology development company focussing on entertainment technology in the professional as well as the consumer markets. Before starting at Dolby, Bredewold worked for Joop van den Ende and Pathé Cinemas. At Pathé he was Senior Manager Marketing and Communications and bore responsibility for launching Pathé's own VOD platform 'Pathé Thuis'.

we need to invest more in databases; getting to know your customers through the use of big data can really help you engage with them. As specific as different audiences can be, there is also a lot that can be done with the more general aspects of cinema itself. Consumers are comparing cinema to the hospitality industry and are used to "service with a smile". Cinema should have high industry standards and should avoid any kind of distraction within the auditorium, Bredewold argues. These high standards concern aspects ranging from temperature, hygiene and service to good sight lights, a wall to wall screen and enhancing the brightness of the image with the use of black seats and black walls. All in all, going to see a movie is becoming a night out and watching becomes experiencing, that is what cinema will entail.

## Co-creating our future

*Madeleine Probst – Watershed Bristol*

All this talk of investment in the latest cinema technologies, foyer domination, CRM and big data can feel a bit overwhelming, particularly for independent cinemas that may not have the resources in place to keep up with all these developments. Yet, it is essential cinemas keep innovating and find ways to engage the next generation. According to Madeleine Probst, Cinema Programme Producer at Watershed Bristol, we should keep in mind that what cinemas do is essentially about people; from our staff, the diversity of creatives and films we champion to the audiences we try to engage. At the core of Watershed's approach is working with people to co-create an offer that is relevant. Cinemas, which are at the forefront of the interaction with audiences, can make a big difference to films reaching people. Investment in the exhibition end of the chain as well as closer collaboration with producers and distributors could make even more of a difference. While individual film marketing campaigns require lots of investment, only to drift off after the opening, it is worth remembering that cinemas are year round local audience



**Madeleine Probst** is Cinema Programme Producer at Watershed Bristol, a cross art form venue and producer. She manages the Film Hub South West and West Midlands and produces multiple projects, including *Conversations About Cinema*, an initiative of BFI Film Audience opening up debates through film. Probst has directed several international Europa Cinema Audience Innovation Labs. In addition she is Vice-President of Europa Cinemas.



facing brands that can impact on a whole range of films. Watershed is interested in building on that trust, providing various routes and insights into a diverse range of films and encouraging peer sharing amongst audiences. Through *Conversations About Cinema*, Watershed is collaborating with other cinemas across the UK's BFI Film Audience network to try to amplify word of mouth around films, for example by sharing local audiences' reactions using analogue comment cards and social media or working together to develop exhibitor friendly marketing assets. Probst advises smaller cinemas to start making use of small data; "just look at the demographics surrounding your cinema" and talk to people. Get to know your audiences and potential audiences and develop offers and audience development strategies that build on this.





## EXPERIENCE IS ALL

The number of films is increasing, but the value of much of that content is decreasing. Studios are putting their stakes on (fewer) tent-pole productions and cinemas - commercial and arthouse - need to change their propositions to their audiences.

Cinema is moving into a premium world, where experiences are memorable and worth paying extra for. Cinemas are firmly placing themselves at the heart of the moving image experience, using a combination of technology, content, venues, service and comfort to deliver a more narrowly segmented experience for a more discerning consumer.

This section aims to explore the opportunities and barriers coming along with a growing interest in premium cinema and customer experience. The following questions were of main interest:

*Does the big screen need to get bigger and bolder to differentiate from the small-screen rivalry?*

*Does the premium exclusivity of boutique cinemas suggest a future based on servicing niche audiences with specialised content?*

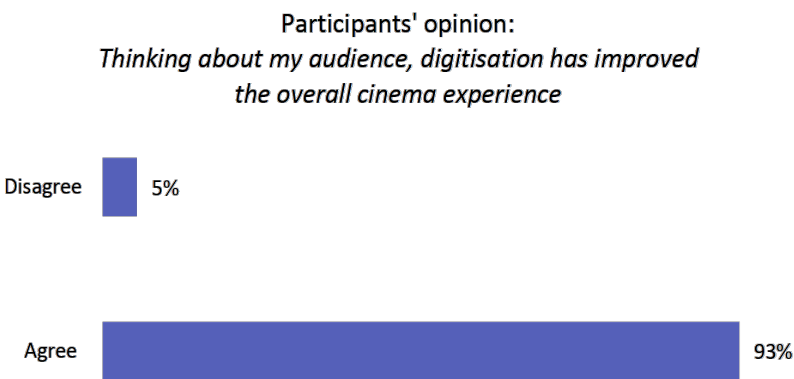
*What kind of event cinema content is available, and does this match our cinema or art house?*



# Facts & Figures

David Hancock – IHS

In this day and age we are living in a so-called experience economy; more and more people are willing to pay more for an experience. According to David Hancock cinema can be part of this experience economy as well. Since the digitisation more niches are coming up and the drivers for movie going are widening. The movie itself and the social aspect aren't the only reasons for people to go to the cinema anymore. Technologies like 3D or 4D, HDR, immersive sound and laser projection, event cinema screenings such as opera and e-sports, or different types of venues in the case of PLF, pop-up cinema and secret-cinema; they could all be important drivers for different groups of people. This makes the cinema industry a more complex environment to operate in. So how can we serve all these different niches? Is there room for more cinemas and more screening types? According to Hancock we should start thinking of cinemas in a different way. Instead of incorporating new technologies in every cinema or building new sites we can rearrange a lot within a cinema. As Hancock states: "If you have a 20% occupancy rate, why not make your larger screen into several smaller screens and auditoriums?"



# Evolve or die

Bill Tishler – Cineplex

Nowadays cinemas are not only competing with other cinemas, but with every other content provider. According to Bill Tishler, Vice President Design and Construction at Cineplex, the quality of small screens is greater today than at any time before. Continuous investment in venues is a huge component at Cineplex in staying relevant. As such, Cineplex has purchased more movie theatres, added reserved seating and improved on food & beverage facilities and parking space. In order to attract multiple audience groups Cineplex has segmented its offer, adding content such as e-sports and gaming into the mix. In addition, Cineplex started multiple partnerships and owns its own media companies, frozen yoghurt companies and its own food brand, to name but a few. Ultimately the overarching goal is to get rid of any pain points that the different audience segments may experience.

“Happy guests will open their wallets wider!”



**Bill Tishler** is Vice President Design and Construction at Cineplex Entertainment. He oversees the design, construction and renovation of all Cineplex Entertainment theatres across the country. On behalf of Cineplex, Tishler has spearheaded multiple initiatives, including a multipurpose community center and movie screening room in Toronto and a patient movie screening room at the Baycrest Centre.

## Growth in the experience economy

Corinne Thibaut – The Coca-Cola Company

People go to the cinema to see a movie, not to eat and drink. Still, food & beverage is part of the movie experience, Corinne Thibaut of Coca-Cola states. Even though about 30% of cinemagoers buys their refreshments in the cinema, during a screening you can see lots of people (about 80%!) enjoying a drink. How to reach these potential customers? Considering the flourishing experience economy, Coca-Cola wagers on two core areas: attracting more young audiences thanks to eSports, and delivering unique experiences. Coca-Cola is partnering with major eSports companies and sets up game events in cinemas. These events offer a special kind of experience, of course accompanied by giveaways from Coca-Cola. In addition to these events, Coca-Cola also puts a lot of effort in offering fun experiences or a personal touch to its products. One of their newest assets is a micro-dosing fountain machine, which offers cinemagoers the chance to compose their own beverage and share the recipe with their friends through a mobile app. By scanning the QR-code on a machine, friends can then use each other's formula. It is a unique experience, only offered in selected venues. Using this approach, Coca-Cola tries to make drinks in the cinema more fun and experiential in order to attract young audiences.

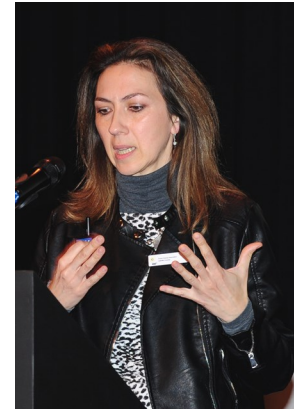
**Corinne Thibaut** is International Director Cinema & Leisure at The Coca-Cola Company, the world's largest beverage company owning more than 500 brands. Thibaut oversees Coca-Cola's engagement with the cinema industry across Europe. By now she has 22 years of experience in sales, marketing and business development.



## Event Cinema 10 years on

Isabelle Fauchet – Event Cinema Association

It started off small as 'alternative content', meaning the exhibition of live or recorded ballet shows and operas. Having evolved to a more mature market with content ranging from dance, theatre and art exhibitions to TV shows, pop concerts and gaming, we nowadays call this 'event cinema'. According to Isabelle Fauchet of the Event Cinema Association, event cinema could really be a substantial part of the content that cinemas offer. But how to integrate event cinema and make it profitable? As Fauchet states, it is all about knowing - and reaching out to - your audience. What type of audience will visit a certain type of content? Some viewers might want to avoid other types of viewers; just imagine operagoers bumping into young gamers while leaving the cinema. Scheduling is thus an important aspect to consider. Also, for some events it could really be a plus to make use of live streaming, while others could just as well be recorded which makes it easier to schedule. Another important element is of course marketing. Since marketing budgets for event cinema tend to be small, Fauchet advises to take at least three months to build audiences. Content providers could help out by planning ahead sooner.



**Isabelle Fauchet** is the founder and MD of Live Digital Cinema Ltd, a consultancy dedicated to the distribution and technical set-up of live and recorded cinema events. She has been working with distributors and content providers advising on technical aspects and commercial strategy. In addition, Fauchet is a founding member of the Event Cinema Association.

Event cinema could be really beneficial. New events such as gaming could prove to have huge potentials if developed properly. However, it is important to manage expectations. To cover the costs you need to have premium prices, which in turn will mostly attract 40+ audiences. As far as do's and don'ts of event cinema are concerned, there is still a lot to figure out. But the market is evolving, and it could be on the rise for some time.







## AUDIENCE IN THE MIND

To all sessions during the conference, the audience was central. The last session, however, focussed entirely on how digital technologies and changes in consumer behaviour are helping to improve audience relationships and interaction. How can they help create demand amongst under-represented groups and young audiences? The following questions were of main importance:

*What new technologies and innovative practices are effective in creating better customer relationships and better interaction with audiences?*

*Are there tools available today to win back or attract young audiences?*

*Is the film industry strong enough at audience development, particularly at the producer stage?*

*What specific audience developments should we consider, national as well as international?*

*What marketing tools are available to improve audience reach?*



## Needs, wants and desires

Peter Buckingham – SampoMedia

“What is cinema, what is a film?” The answer to this question cannot be given by a filmmaker, as Peter Buckingham of SampoMedia states. The definition of film is determined by what an audience wants, one of the main aspects being the feeling of emotions. The emotions felt by the audience are integral to how the audience eventually feels about the film they’ve seen. Technologies such as great sound and a big screen amplify the emotional function of cinema. The same applies to the empathy that is being aroused when we are in a collective and all feel the same thing, a shared experience inherent to the social character of cinema. According to Buckingham, these elements make the cinema auditorium the best environment for a film to be seen. But somehow independent filmmakers seem to think that this doesn’t apply to their films. There is a presumption that European cinema doesn’t need a big screen or the same standards as Hollywood blockbusters. As a result independent films are seen as films that are good for the small screen or for VOD distribution. “I fundamentally don’t believe this to be true”, Buckingham states. He argues for a collaborative effort, by bringing people together in film schools and production realms and by encouraging them to understand that technology is not for Hollywood, but for cinema as a whole. As Buckingham states:

“new technologies are available to filmmakers to increase the value of the experience of their film”, so filmmakers should “start making films that occupy the big screen, big sound and auditorium in a way that most of us go to the cinema for in the first place.”

Participants' opinion:

*Through digitisation I can respond better to audience needs*



**Peter Buckingham** is co-founder of SampoMedia, an analyst and consultancy company with a focus on changing consumer behavior and media markets. He was Head of Distribution and Exhibition at the UK Film Council and BFI and sits on various boards. With thirty years of experience in the private and public sectors, Buckingham has a broad overview of the issues and challenges facing individual artists, businesses and organisations in maximising reach to, and engagement with, audiences and consumers.





## Young, busy and so many choices – How to make cinemas attractive for young audience

Tilman Rotberg – GfK

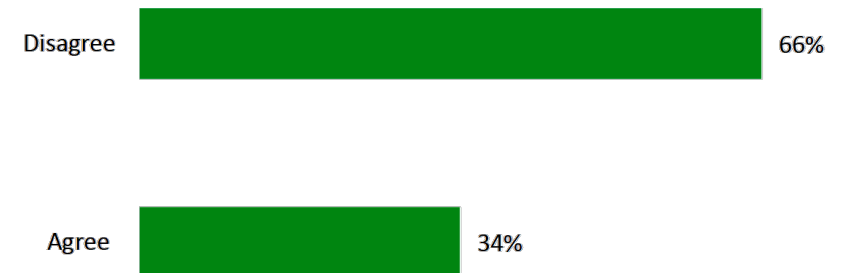
How to win back young audiences? It is a question posed many times during the conference, amongst others by Tilman Rotberg, Head of Media & Entertainment Germany at research centre GfK. According to Rotberg reducing the ticket price won't solve the problem. A recent study of GfK shows that youth are willing to spend money on leisure activities, just as long as they feel the costs are in accordance with the perceived value. So what is going to attract young audiences? As Rotberg states, cinema has to segment its audience in specific target groups and offer them an experience that fulfils their needs. Direct interaction and understanding your audience and what is most important to them in leisure is key. Cinema could learn from the hospitality industry and how it offers personalised experiences and a feeling of exclusivity. According to the GfK study youth have a few top needs: socialising with family, fun, relaxation and convenience, and socialising with friends. So integrating cinema into their social lives and nurturing the social aspects of cinema is important.



*Tilman Rotberg is overlooking GfK's Media and Entertainment business in Germany. His expertise lies in understanding consumer consumption of media and entertainment across categories and across all screens, from mobile phones to big cinema screens. Before taking on this role, Rotberg was the Global Industry Lead for Technology clients at GfK.*

Another key element is timing, Rotberg states. Every consumer has a tipping point in his or her degree of activation, a point where we sit down to relax and not get off the sofa any time soon. Cinemas have to be aware of this so-called 'sofa trap' and should activate and attract people while they are still active and are spending time with other people. With the right offer, to the right target group, at the right moment in time, you can prevent people from falling into the trap and beat the leisure they can enjoy at home.

Participants' opinion:  
*The best way to get adolescents back into the cinema is with very cheap tickets*





## Re-branding arthouse cinema in Berlin

*Christian Bräuer – Yorck Kinogruppe*

Attracting and retaining audiences; according to Christian Bräuer of the German arthouse chain Yorck Kinogruppe, a lot has to do with good branding. Nowadays people have a lot of things on their mind and little time, so you have to find a way to be top of mind. Yorck Kinogruppe rebranded its network with a new logo and a new claim. The chain has its own magazine, social media channel, and opening trailer, and utilises special film marketing together with distributors. A few posters of *THE DANISH GIRL* included the Yorck Kinogruppe logo for example. Besides distributors, York Kinogruppe also entered into partnerships with for example a newspaper and the local subway. So at the subway people can buy tickets as well. Besides pulling out all the stops to attract new audiences, Yorck Kinogruppe does find its regular customers very important as well. York Kinogruppe informs them about the programme and offers them discounts through the use of a loyalty programme with an unlimited pass.

**Christian Bräuer** is CEO of Yorck-Kino and Programm kino Ost, which operates art cinemas within an alliance between Berlin, Hamburg, Munich and Dresden. He is president of the German association of art cinemas and is Member of Praesidium and European Affairs Committee at German Federal Film Board (FFA). Furthermore he is Vice-President of the international arthouse association CICA and was elected as General Secretary of Europa Cinemas Network by the Board of Directors in May 2015.



## Digital cinema - A game changer in Sweden

*Rickard Gramfors – Folkets Hus Och Parker*

For Folkets Hus Och Parker (FHP) digitisation turned out to be a blessing. Being a non-profit organisation it schedules 180 community centres and cinemas. Before digitisation the venues located in rural towns had to wait a long time for 35 mm films, which were already worn out by then. Now with digital cinema, these cinemas and centres get their movies at the same time as the big cities and in a much better quality. While there is a decline in admissions in the big cities, there is a big rush in the smaller ones. Thanks to flexible programming, underrepresented groups such as senior citizens can now be catered to their needs as well. Daytime screenings for seniors are booming. FHP also has specific schemes for arthouse, 'pram' (parents and babies) cinema, and festivals and local films can be shown to local audiences. Event cinema turned out

**Rickard Gramfors** is project manager of the Swedish event cinema scheme "Live på bio" (Live in the Cinema) at Folkets Hus och Parker (FHP), a Swedish non-profit organisation, servicing 700 community halls and outdoor parks. FHP distributes 55 recorded events and live broadcasts every year to 180 Swedish cinemas. FHP is currently expanding its services into Norway, Denmark and Finland.

to be a welcome development as well. According to Rickard Gramfors, project manager of FHP, event cinema isn't opposed to cinema, nor is it cannibalising the live experiences. For FHP event cinema can be as much as 50% of the revenue in some cinemas and is paying for the film screenings. Especially the seniors are a good target group for event cinema, they are more healthy than ever and have money, so says Gramfors. Thanks to digital cinema these people and people living in rural towns can enjoy culture.

“No matter where you live, you should be entitled to see culture”







Musical accompaniment evening programme, first day Cinema2020



Dance performance evening programme, first day Cinema2020





Film financing and distribution doesn't stop at theatrical. We have a major issue at later windows and I am very worried about windows 2 and 3. On the long run these will have an impact on the theatrical window as well.

*Jaap Bruijnen  
Film Distributors Netherlands*

The overall value of the film value chain has gone down since dvd started dropping. That drop stops about now and starts to move upward again. We had a shake up period changing peoples mindsets, but the technology wasn't there to do it yet. Subscription models haven't replaced dvd, but now these models are in place and demand for that type of consumption is being raised.

*David Hancock  
IHS*

There is a lot we can learn from the music industry, looking for new ventures and partners. Consumers get more power and access to content whenever they want. But also a side effect is that artists get more money out of concerts instead of albums. So it's digital combined with experience.

*Youry Bredewold  
Dolby*

When cinemas would get a cut of other players such as VOD platforms, shifting of windows might work. But at this moment it is not rational because home entertainment is so bad at this stage. If it grows again it might be a stage to renegotiate.


*Ron Sterk  
Vue Cinemas*

You have to focus on what the deal structures are, but flex them for revenue and audience potential. European funders are putting up money for the original release and usually they don't make room for other windows. Now this is moving and flexing, particularly when they can receive benefits for this accommodation.

Revenues (if for a noncommercial public broadcaster) can always go back into a public pot for digitisation, foreign versioning, and other causes.

*Wendy Bernfeld  
Rights Stuff*

# Speakers' statements



The competition for films is enormous. If the first weekend opening doesn't work you have a hard time keeping your movie in cinemas. Once a week there's a new Dutch movie. I think we should spend more money on less films.

*Ron Sterk  
Vue Cinemas*

You can create events and festivals but there are still audiences that aren't being reached. I think we should find ways to go further and see how to pull audiences in cinema when films aren't doing well in cinema. We can make more in the small time slots than we're doing at the moment.

Exhibitors and distributors have to strategically work and think together with producers.

*Marjan van der Haar  
Film Producers Netherlands*

It is harder for indie films sometimes to afford theatrical release. The funding of theatrical window exhibition can be prohibitive for films with niche or genre taste, including art house and documentary, so they need to build audiences via promotion in different ways.


*Wendy Bernfeld  
Rights Stuff*

For smaller movies event cinema and festivals are great, and regular programming isn't always working. If you can create events around these kind of movies I think that will work better than the traditional way. We have the opportunity now.

*Hajo Binsbergen  
Warner Bros*

We should look in on a higher level; which film is being released theatrically? Arthouse or indie can play a diversifying role. If it caters to your audience's needs, don't only show blockbusters.

*Youry Bredewold  
Dolby*



The more you talk to the audience, the more you can take the data you have and turn it into value. Big data is the power at the moment that global companies are using to squeeze out small companies. To use that ourselves is very motivating.

*Michael Gubbins  
SampoMedia*

Maybe we should stop thinking about a single audience in premium concepts and more in niches. A more responsive cinema is where we have boutique cinema, surround sound big cinemas and cheaper cinemas.

*Michael Gubbins  
SampoMedia*

We have almost everything; we do have the technology so we can cater for more niches. On the other hand we have large groups going to big event films and blockbusters. We see women, men, seniors and youngsters, so marketing can be very targeted but can also be massive.

*Hajo Binsbergen  
Warner Bros*

There's a big issue about how data is shared on the production level. Traditionally producers have seen exhibitors as a different industry. But they have direct relations to audiences and we need to have ways to get knowledge back in. One thing digital does is create tons of data and knowledge. Collaboration is necessary. Data goes out of date very quickly. You've gotta keep up.

*Michael Gubbins  
SampoMedia*

Sometimes it takes too long for a film to be released. You can't engage audiences years ahead so producers need more, they need experts with specialized knowledge.

*Marjan van der Haar  
Film Producers Netherlands*

Flexibility in programming helps us to choose one kind of the equation or diversify within our cinema, instead of being stuck in the middle. It's about finding your own place in the market, your own region. You can and should not do everything. Even though you have differences between cinemas it still means you need to find your own identity.

*Youry Bredewold  
Dolby*



*Cinema2020 is an initiative of the NVBF in collaboration with FDN, FPN and EYE.*



## Partners



## Project team

### Projectleader

Gamila Ylstra - Binger Filmlab

### Coordination and communication

Floor Kulker - Dutch Exhibitors Association

### Research

Jorien Scholtens - Dutch Film Research Foundation

### Production assistant

Ilona van Genderen Stort - A Day in a Life

## Supervisory board

Gulian Nolthenius - Dutch Exhibitors Association  
 Michiel de Rooij - EYE Film Museum  
 Ido Abram - EYE Film Museum  
 Ron Sterk - Vue Cinemas  
 Hajo Binsbergen - Dutch Film Distributors Association  
 Marjan van der Haar - Film Producers Netherlands

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