

Trends in the Distribution Windows for Movies

The Impact of New Technologies on
Existing Markets

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Traditional Distribution Windows (1)

- No legislated windows in the UK as in other countries
- Imposed by Licensors/Sales Agents and, to some extent, by cinemas
- Have been relaxing for a number of years

Traditional Distribution Windows (2)

- Run from theatrical release
- Video: 4 to 6 months
- VOD: 6 to 9 months (although some SA insisted on windows up to 35 months from theatrical release)
- PPV: 6 to 9 months
- Pay TV: 12 to 18 months
- Free TV: 24 to 33 months

Obstacles to Contracting Windows in the UK

- Cinema Chains
- Sales Agents/Producers
- Fear of lost income
- Fear of change (why change it if it has worked mentality)
- Adequate Territorial Protection
- Directors/Producers want the film on theatrical release as long as possible

Reasons to Change (1)

- Potential for increased income
- Flexibility in release models
- Experimentation to see whether traditional windows no longer support distribution realities
- Reflect changing viewing habits (theatrical distribution cannot meet all the expectations of the modern consumer, they want access to a wide range of viewing opportunities and more options) watch a film how the viewer wants, when and on what platform
- New technology has expanded our desire for content

Reasons to Change (2)

- Majors are doing it!!
- Warner Bros, Fox, Sony and Universal announced that they would be releasing selected films on VOD 2 months after their theatrical release – compromise with cinema owners
- Effectively shortening the theatrical window
- But offering at a high price (around \$30)

Reasons to Change (3)

- Theatrical distribution is limiting, expensive and unpredictable
- Day and date (or at least shortening the theatrical window) is expanding the areas of exploitation and not in competition to theatrical
- Smaller films that can only get a few screens but can build on theatrical interest if released day and date or at least soon after theatrical release
- Also these films would get overlooked if primary focus is theatrical

Artificial Eye/Curzon

- New Curzon On Demand platform
- Day and date theatrical and VOD releases
- Both Artificial Eye films and those of other distributors
- Premium rate so going out on VOD at about the same rate as cinema prices
- If released day and date then usually also offered to other platforms such as iTunes and Filmflex at a premium rate

Early Results

- Still early days
- Have only released about 8 films day and date
- It does not seem to cannibalize the theatrical
- Projected theatrical income seems not to be affected
- Additional income
- Smaller films that are fighting for screens
- Use the small theatrical release to generate awareness (if a film in UK gets even a one screen release it will be reviewed by most of the important newspapers)
- Maximize marketing spend

Conclusion

- The film industry must experiment with its present reality to find its future
- Shortening of windows will not weaken theatrical release but but strengthen the whole business of film distribution
- Film distribution must adapt to the demands of the consumer
- Must find new and innovative ways to engage the audience