

Outlook on distribution in Germany

by Fabien Arseguet, Alamode Films

Alamode Films exists since 2001. The company distributes the films of François Ozon, Nanni Moretti, among others. It has just bought La Tourneuse de pages of Denis Dercourt at the last Cannes Film Festival.

In Germany, there are about 60 distributors, 55 of them can be considered as independents. The first five distributors are the representative of the American studios (UIP, Warner, 20th Century Fox, Buena Vista, Sony), whose market share is 71% (29% for the independents).

After the top-five distributors, here are the biggest independents: Constantine, Kinowelt, XVerleih, Concord, Prokino. There are a lot of very small distributors. At the 20th rank, you find distributors such as Alamode and Arsenal.

Horizontal or vertical integration is not that developed (Universum is owned by Bertelsmann, for example). Anyway it does not affect the work of the independents. There are no mix between distributors and exhibitors, no joint venture between the German distributors and the American studios. The majors sometimes take care of the physical distribution of the films: Buena Vista for Universum, Warner for X Verleih, Fox for Prokino.

There are 1854 cinémas, which are for the most part independent.

In 2005, 388 films were release (229 in 1995), i.e. an average of 7,5 films a week (the figure was 4,5 in 1995). Of course that important number of films has consequences: fewer films have a long run. The number of prints has also increased: each week, there are about 7800 to 8200 prints in circulation, in comparison with 4500 prints in 1995 – and there are 100 less screens than in 1995!

The market share of the American cinema is about 74%, 20% for the national cinema and 6% for the European cinema.

The promotional costs for the American majors are extremely high: they can spend € 900 000 for a release in 200 prints, and up to 5 million euros for a release in 1000 prints, with a lot of money spent on advertising on TV.

The small distributors spend an average of € 100 000 for a 30 prints release.

The increase of the expenses is partly due to the fact that you cannot rely anymore on the film critics. It is more and more difficult to have an editorial coverage in the medias, which is why the "big" spend more and more.

We also need to remind a few elements of context specific to Germany, which can also explain that situation:

- The economic situation is not very good, and the cinema too expensive
- Germany is decentralized, which makes the national releases difficult, especially with small films.
- There is a lack of will of the German authorities to consider cinema other than an entertainment for teenagers and as a commercial entertainment.
- The TV channels are extremely numerous, and let's recognize it, they have programs of good quality, which leads to a direct competition to a night out at

the cinema. Besides, the TV channels in Germany directly buy the films at the international sales agents.

- There is an increase of the leisure time, no doubt, but we have to underline the importance taken by the DVD... and by the piracy.
- More generally, in Germany, cinema is not considered as a demanding activity, but as a teenager activity, and it thus suffers from a bad image.