

**SPECIALISED EXHIBITION AND DISTRIBUTION:
E-CINEMA**

A Study for the Film Council

"You know, Mesguich, we're not offering anything with prospects, it's more of a fairground job. It may last six months, a year, perhaps more, probably less."

- Louis Lumière, speaking to a budding cameraman, 1895

"This is just the beginning of our industry, the possibilities for the future are truly limitless."

- Lew Wasserman, 1995.

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Table of Contents

- 1. Executive Summary**
 - 2. Introduction**
 - 3. The Brief**
 - 4. Electronic Cinema - Definitions**
 - 4.1 Electronic Cinema
 - 4.2 Digital Cinema
 - 5. Electronic Cinema - The Benefits, The Barriers**
 - 5.1 Distribution
 - 5.1.1 Cost
 - 5.1.2. Flexibility
 - 5.1.3. Marketing
 - 5.2 Exhibition - The Issues
 - 5.2.1 Who Pays?
 - 5.2.2. Greater variety of venues
 - 5.2.3. E-Cinema and Disability
 - 5.2.4` Flexibility of Programming
 - 5.2.5 Education
 - 5.2.6 New Revenue Sources
 - 5.2.7. Quality of image
 - 5.2.8 Reliability and Durability of Equipment
 - 5.2.9 Digital Rights Management
 - 5.2.10 Standards
 - 6. Technology**
 - 6.1 Digital Projection.
 - 6.2 Sound Systems
 - 6.3 Other Developments
 - 7. Current Developments**
 - 7.1 UK
 - 7.2 Developments Overseas
 - 7.2.1 Europe
 - 7.2.1.1 France
 - 7.2.1.2 Sweden
 - 7.2.1.3 The Netherlands
 - 7.2.1.4 Cybercinema
 - 7.2.2 US
 - 7.2.2.1 Madstone Films
 - 7.2.2.2 Emerging Cinema
- Appendix 1: People consulted**
Appendix 2: Bibliography

1. Executive Summary

- 1.1 Electronic cinema (“e-cinema”) is not simply a tool for reducing the cost of theatrical distribution and improving the quality of cinema exhibition. It describes the use of new technologies, primarily digital ones, which have the potential to deliver far-reaching changes to the ways in which we produce and consume moving images of all kinds.
- 1.2 This study is concerned with the impact of e-cinema on the distribution and consumption of moving images by audiences in public venues rather than in the home. Its primary focus is the distribution and exhibition of specialised cinema and specialised film as defined by the Film Council.¹
- 1.3 However, if the long-term potential of e-cinema is to be harnessed to meet the over-arching objectives of Film Council policy (social inclusion, cultural diversity etc) there is a need to look beyond theatrical features; e-cinema technology could facilitate the distribution and screening of a very diverse range of materials to audiences including documentaries, shorts, locally-produced digital material, archival material and live events.
- 1.4 This plurality of material could attract filmgoers who might not patronise traditional “arthouse” or “specialised” cinemas (e.g. screenings of digitised material from local archives for older audiences, material of interest to particular ethnic groups, opportunities for guerilla filmmakers to show their work).
- 1.5 Policy and funding strategy with regard to e-cinema should be constructed to reflect the fact that “specialised film” is just one element of moving image culture. It should not be driven by the idea that cinema outside of mainstream multiplex fare is synonymous with a “cultural” or “educational” agenda.
- 1.6 While a substantive dialogue on common standards is now underway, there is a very diverse range of opinions about the

¹ See Appendix One to accompanying Film Council Consultation Paper for the relevant definition of specialised cinema and specialised film.

speed of take-up of digital projection technology. Many industry experts believe that significant penetration of digital technology into cinemas is at least 5, and maybe 10, or even 20 years away. Many questions remain regarding the quality and reliability of available digital technology, and the future pricing of equipment. The issue of who pays for the installation of projecting equipment remains unresolved. But since e-cinema is far more than a new projection technology, these barriers must not be allowed to inhibit the development of strategic policy, most especially in respect of specialised cinema.

- 1.7 The Film Council should be acting as a champion for digital technology and its ability to deliver real benefits to audiences and communities in respect of non-mainstream material; for example the Film Council could engage in active lobbying of Government and industry to speed up the installation of broadband technology as we are already falling well behind some other countries.
- 1.8 At present, in the specialised sector, e-cinema is developing in a fragmented, piecemeal fashion driven by a handful of innovators (e.g. the Watershed in Bristol, the Nerve Centre in Derry) working to different agendas. In the short-term, there is an opportunity for the Film Council to create and encourage more cohesive, nationwide initiatives by bringing together a small group of exhibitors to discuss collaboration through a “Virtual Network”; e.g. digital exchange of materials, joint trials of projection equipment etc.
- 1.9 Given the prevailing uncertainties and the wealth of opportunities, the Film Council’s priority for e-cinema distribution and exhibition over the medium-term (next 3-5 years) should be to maximise opportunities for radical experimentation using the widest possible range of technologies.
- 1.10 This could include, for example, a range of digital projection technologies (from the most basic combination of a DVD player and an LCD projector to more sophisticated digital projectors), a diverse range of material (theatrical features, shorts, docs and archive footage etc) and a range of venues (cinemas, arts centres, theatres, schools) – with the

possibilities of failure and technological obsolescence acknowledged upfront. “Let a thousand flowers bloom” in the knowledge that some may quickly wilt.

- 1.11 Consideration should be given to ring-fencing a sum of money for investment in e-cinema distribution and exhibition to be called the Digital Innovation Fund. This would support digital distribution and exhibition initiatives, with priority given to those with the ambition, imagination and energy to use cost-effective new technology to deliver material to new audiences, especially in deprived urban and rural areas. Alliances with educational initiatives (e.g. Excellence in Cities, Educational Action Zones) should be encouraged wherever possible.
- 1.12 The ambitions of such a fund should be to bring the same appetite for innovation and experimentation as the work already being undertaken with digital technologies by the Film Council’s New Cinema Fund (NCF) for the production sector. Given the broad expertise that already exists within the NCF regarding digital technology, it is recommended that ways be explored to draw on this existing knowledge, so as to avoid unnecessary duplication.
- 1.13 A sum in the region of £300k-£500k for a one year pilot could provide a useful stimulus specifically for the development of digital technology.
- 1.14 As schools are now increasingly being opened up for out-of-hours community activities, the Film Council should talk to the Department for Education and Skills to see if there are opportunities for formal collaboration on the installation/use of digital technology for community purposes.
- 1.15 To ensure the most effective use of public funds, an individual with expertise on technology issues surrounding e-cinema must be involved in the assessment of applications to the Film Council/Arts Council of England for capital support.
- 1.16 The overall strategy for capital funding must be constructed in as open and flexible a fashion as possible to accommodate the development of e-cinema. A mechanism must be found

for the Film Council to maintain a constant watching brief with regard to the development of e-cinema and its relation to the specialised sector.

- 1.17 Participation and enjoyment should be given as much emphasis as consumption and learning (e.g. local communities, organisations, schools and other institutions should be given the opportunities to show their own digitally produced material in local venues).
- 1.18 E-cinema provides an opportunity to reach out to new or lost audiences – providing the range of material on offer is broad and attractive enough and, crucially, resources are put behind marketing the new initiatives. Electronic distribution should be complemented by electronic marketing: operators of specialised venues should be encouraged to use the worldwide web, email and viral marketing techniques to reach their audiences.
- 1.19 In many rural areas, the problem is not that specialised cinema is inaccessible, but that any form of cinema is inaccessible. While the increased portability of some digital projection equipment provides opportunities to reach those previously deprived of access to cinema, programming in such regions will need to include mainstream as well as more specialised material.
- 1.20 The Department of Trade and Industry has allocated c.£500k to support e-cinema trials. The National Endowment for Science, Technology and the Arts (NESTA) is also charged with supporting innovation through backing individuals. The Film Council needs to ensure that every opportunity is taken to ensure consistency of approach across the public sector.
- 1.21 History suggests that if e-cinema is to make an impact, it will be driven by audience demand for attractive product. Technology is a bridge rather than a destination in itself.